

PUBLIC ADMINISTRATION

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Reviewer

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SYLLABI-BOOK MAPPING TABLE

Public Administration

Syllabi	Mapping in Book
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Unit - II <ol style="list-style-type: none">1. Theories of Administration: Scientific Management Theory, Classical Theory of Management, Human Relations Theory2. Principles of Formal Organizations: Hierarchy, Span of Control, Unity of Command, Centralization and Decentralization, Staff, Line and Auxiliary Theories3. Management: Its Meaning, Nature, Types and Values: Distinguish between Management and Administration	Unit 2: Management, Organization and Administration (Pages: 35-105)
Unit - III <ol style="list-style-type: none">1. Bureaucracy: Max Webber and Marx2. Public Administration in the Age of Globalisation3. Budget Making Process in India4. Lokpal and Lok Ayukta	Unit 3: Bureaucracy and Public Administration in India (Pages: 107-154)
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INTRODUCTION

The Indian administrative structure is basically a legacy of the British rule. The different structural and functional features of Indian administration, such as the secretariat system, all-India services, local-self- government, district administration, budgeting, auditing, police administration, revenue administration, etc., have their genesis in the British Raj.

With the adoption of its Constitution, independent India has devised its own system of governance. According to its Constitution, India is a ‘sovereign, socialist, secular, democratic republic’. The country has a federal form of government. Its Union government is divided into three separate but interrelated branches, namely legislative, executive and judicial. As in the British parliamentary model, the leadership of the executive is drawn from and responsible to the legislative body, i.e., Indian Parliament. Article 50 of the Constitution stipulates the separation of the judiciary from the executive. However, the executive controls judicial appointments and many of the conditions of work. Different statutory commissions have been constituted to ensure democratic functioning of the administrative institutions in the country. The Finance Commission has been formed to define the financial relations between the centre and the state. The Planning Commission formulates the Five-Year Plans of the country. The Union Public Service Commission was established under Article 315 of the Constitution of India. The terms and conditions of service of Chairman and Members of the Commission are governed by the Union Public Service Commission (Members) Regulations, 1969.

Public administration refers to the process of implementation of governmental policy by the people who have been appointed for the same, namely, the civil servants. It is also an academic discipline that studies this process of implementation and also prepares the civil service aspirants for the task ahead. It is an essential subject for the students of political science as well.

Public administration has a direct influence on the overall quality of life of the masses. It is concerned with that part of the government which is action-oriented. Public administrators are looked upon as the people who design important public policies aimed at the betterment of cities and villages through planning, development and management. Simply stating, public administrators help to improve the future of the community in general. A study of public administration would require focus on many issues including citizen participation, local autonomy, public administration strategies, innovative governance, public services, conflict resolution, demographic imbalances/transitions and healthcare.

This book – *Public Administration* - has been designed keeping in mind the self-instruction mode (SIM) format and follows a simple pattern, wherein each unit of the book begins with the **Introduction** followed by the **Unit Objectives**

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for the topic. The content is then presented in a simple and easy-to-understand manner and is interspersed with **Check Your Progress** questions to reinforce the student's understanding of the topic. A list of **Questions and Exercises** is also provided at the end of each unit. The **Summary** and **Key Terms** further act as useful tools for students and are meant for effective recapitulation of the text.

UNIT 1 INTRODUCTION TO PUBLIC ADMINISTRATION

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1.0 INTRODUCTION

In order to understand the concept of public administration, you should pick up any newspaper and go through it. You will easily find reports about government policies, new bills and acts in the parliament, various public welfare programmes undertaken by the government, parliamentary debates, etc. In fact, it is possible that you may even come across a newspaper report that condemns governmental policies over a certain issue, and criticizes a lack of action by the governmental bodies such as the municipality. In the 'Letters to Editor' section, you may find citizens expressing their concern about their right to clean water, air and natural surroundings. Similarly, you will see the public organizing itself to protest against a perceived violation of their rights. Who is the public standing against? Whose authority is the public trying to question here? The answer lies in the people who are given the responsibility to govern and administer the nation. Herein lies the need to understand the complexity of functions, dilemmas, challenges and roles of administrators in a public setting.

However, no country can function in the absence of public administrators. If there were no public administrators, there would be no police stations, municipalities

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or courts. Crimes would increase because there would be no system of punishing criminals; roads will be in poor condition; market forces will govern the economy; in short, there would be total chaos. So, we cannot rule out the importance of public administrators. We study public administration to find better ways of governance and to prepare future leaders and administrators of our country to face up to the challenges that might lie ahead in their path.

In order to understand the relation between the government and public administrators, think of a pulley. The pulley helps the rope to carry a huge weight. Similarly, the government is like the rope and the public administrators are like the pulley. The government can function effectively because the pulley, that is, the public administrators help it in doing so. In common usage, public administration is mainly concerned with executing the implementation part of the governmental activity, with the question as to how law should be administered with equity, speed and without friction. For example, the public would know what the legal consensual age of marriage is, but it will not be interested in knowing the lengthy procedure that preceded it for becoming a law. An unlettered individual living in a village is unlikely to know much about the constitution of the country, but a *daroga* or a *patwari* is a living reality to him. Therefore, public administration comprises the systematic execution of the will of the people which has been discovered, formulated and expressed in the form of laws by the legislature.

The functions and scope of public administration are so wide that it is nearly impossible to have a single definition that everyone agrees with. For instance, the assessment and rating of taxes, the hanging of criminals, the delivery of mails, the recruitment of army, etc., are all acts of public administration. In fact, even the operation that was carried out by the US government in Abbottabad in Pakistan to capture Osama Bin Laden falls under the scope of public administration. In a nutshell, it may be said that public administration is the non-political machinery of the government carrying on its work for the welfare of the people according to the laws set up by the state. The present unit introduces you to the concept of public administration. This cannot be done without relating the nature, scope and significance of public administration. Further, throwing light on the evolution of public administration will help you appreciate its strengths and identify its weaknesses. You will be able to grasp how the field of public administration has attained its present status. You will learn about new public administration, comparative public administration and development administration.

1.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- Explain the meaning, nature and scope of public administration
- Discuss the significance of public administration
- Analyse new public administration
- Describe development administration

1.2 MEANING, NATURE AND SCOPE

Public administration is centrally concerned with the organization of government policies and programmes as well as the behaviour of officials (usually non-elected) formally responsible for their conduct.

Public administration is detailed and systematic execution of law. Every particular application of law is an act of administration. Administration is the most obvious part of the government; it is the government in action; it is the executive, the operative, the most visible side of the government.

—Woodrow Wilson

Public administration consists of all those operations having for their purpose the fulfilment or enforcement of public policy.

—L.D. White

Public administration is that part of the science of administration which has to do with government and thus concerns itself primarily with the executive branch where the work of government is done, though there are obviously problems in connection with the legislative and judicial branches.

—Luther Gullick

Public administration, on the one hand, is an organized activity on the part of a group of people, having been authorized on behalf of the ultimate sovereign, and the voters, to administer and exercise direct control over their life activities. On the other hand, it is a subject matter of study, teaching and research in colleges and universities. As an academic endeavour, it concerns the pursuit of understanding relating to the real and proper structure and functioning of government organizations and behaviour of organizational participants. The study of public administration is the study of most effective ways of organizing the executive branch of a government, its institutions and procedures. It is mainly concerned with the means for implementing political values. It is the coordination of individual and group efforts to carry out public policy.

The meaning of public administration can be studied from the following points of view:

- Its significance as an instrument of governance
- Its significance as an instrument of development and change
- Its significance in modern domestic welfare state

The most important function of the government is to govern, i.e., to maintain peace and public order and to ensure the safety and security of the life and property of the citizens. It is the responsibility of the government to ensure that the contracts are honoured by the citizens and their disputes are settled.

Public administration has to play a very significant role as an instrument of development and change. The administration of a country reflects the genius of its people and embodies their qualities, desires and aspirations. Whenever people decide

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to proceed on the road to development, their main instrument is the public administration. They need trained manpower to run schools, colleges and technical institutions. They need technical manpower to build roads, bridges, buildings and to run machines in the industries. They need scientific manpower to undertake research and development.

Only a well-developed public administration can make all this possible. It is true that part of the effort comes in the private sector, but it alone cannot complete the task. A lot of basic infrastructure has to be developed for which the private initiative is usually not forthcoming. For example, nationwide rail transport, telecommunication network, fundamental research, are all to be organized by the government.

The government has to provide many services for the welfare of its citizens. It includes the provision of schooling, medical facilities and social security measures (refer to Figure 1.1). With the breakdown of joint families, the problem of looking after the old and infants, orphans and widows comes up. With the slowing of economic activity, the problem of unemployed youth crops up. The development process brings up many new problems like those of urban slums and juvenile delinquents. The welfare state has to identify these problems and devise solutions for them. The formulation of these schemes and their implementation is another significant function of public administration. Public administration is, thus, not only a protector of citizens from external dangers or internal disorders, but has also become the greatest provider of various services. The welfare of people depends very much on the way the public administration functions.

With the increasing complexity of modern life, there is hardly any aspect of a citizen's life which does not require contact with some government agency or the other. In the ancient times, the needs of the citizens were limited. They could, therefore, live in more or less self-sufficient village communities that were able to produce everything that they required. The scientific and industrial revolutions have changed the situation. The industrial products require a degree of specialization which makes it necessary for the communities to live in bigger cities. The means of production have become rather complex and require a much greater degree of organizational effort.

There are a number of activities that can no longer be organized by the citizens privately or even by village or city communities. The national government and the state and the local governments have, therefore, come forward to provide the necessary infrastructural facilities for organizing production as well as for facilitating community living. For example, roads and railways have to be built to facilitate the transport of raw material to the site of production as well as to facilitate the distribution of the manufactured goods. These facilities are also required to meet the needs of the citizens in moving over long distances required by modern day living. Similarly, communication facilities like the telephones, wave transmissions, satellite communication, etc. have to be provided to meet the needs of the communities. All these require massive investments in human and material resources, far beyond the capacity of small village or even city communities. These investments have to be

made by the national government and administered with the help of the local governments and the local communities. Apart from the financial investments, a lot of organizational effort is required to meet these needs of the citizens.

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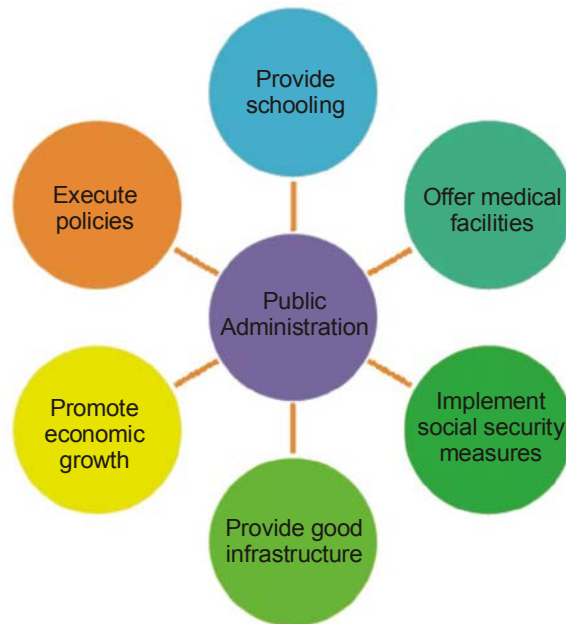


Fig. 1.1 Basic Functions of Public Administration

Thus, public administration consists of the actions undertaken by the government to look after its people or to manage its affairs.

1.2.1 Nature and Scope of Public Administration

There are different opinions about the scope of public administration, on whether it is the managerial part of the governmental work or the entire complex of activities of only executive branch of government or of all branches, i.e., legislative, executive and judicial. There are, thus, two divergent views regarding the nature of the study of public administration. These are as follows:

- **Integral view:** Public administration is the sum total of all the activities undertaken in pursuit of and in fulfilment of public policy. These activities include not only managerial and technical activities, but also manual and clerical activities such as filing paperwork, maintaining records, or all the non-managerial aspects of the job of a public administrator. Thus, the activities of all persons working in an organization from top to bottom constitute administration. In other words, public administration is conceived in a comprehensive sense to include all the activities of the government whether they are performed in the executive, legislative or judicial branches of the government.
- **Managerial view:** The work of only those persons who are engaged in the performance of managerial functions in an organization constitutes the administration. It is these persons who shoulder the responsibility of keeping

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the enterprise on even keels and to run it most efficiently. Their job is to plan, programme and organize all the activities in an organization so as to achieve the desired ends. The following list describes the managerial work of the administrative personnel:

- o **Planning:** Planning means working out broad outline of the things that need to be done and the method to be adopted to accomplish the proposed set for the enterprises.
- o **Organizing:** Organizing means building up the structure of authority through which the entire work to be done is properly arranged and defined in order to achieve the desired goals.
- o **Staffing:** Staffing means appointing suitable persons to the various posts under the organization. It covers the whole of personnel management.
- o **Directing:** Directing means making decisions and issuing orders and instructions and embodying them for the guidance of the staff.
- o **Coordinating:** Coordinating means interrelating various parts of the work and, thus, eliminating the overlapping and conflict in different activities of an organization.
- o **Reporting:** Reporting means keeping both the supervisors and subordinates informed of what is going on and arranging for the collection of such information through inspection, research and records.
- o **Budgeting:** Budgeting means fiscal planning and accounting and control, i.e., all the activities related to financial management.

The scope of public administration can be divided under two broad heads, namely, principles of public administration and sphere of public administration.

Viewed from the jurisdictional point of view, the sphere of public administration includes the central government, state government, its regional and local authorities and also the public corporations.

Thus, public administration includes the totality of government activity, encompassing exercise of endless variety and the techniques of organization and management whereby order and social purpose are given to the effort of vast numbers.

A more comprehensive account of the scope of public administration has been given by H. Walker. He has divided it into two parts:

1. **Administrative theory:** It includes the study of structure, organization, functions and methods of all types of public authority engaged in carrying out the administration at all levels, i.e., national, regional, local levels, etc. Further, it is a study of all problems connected with the external control of the following:
 - Parliament and the Cabinet over administration
 - Internal control of administrative machinery
 - Judicial control over administration
 - Administrative tribunals
 - Planning, programming and execution of public actions

- Recruitment of personnel
- Problems related to research, information, public relations, etc.

The emphasis is to find out certain principles of administrative actions which can be usefully applied in practical administration.

2. **Applied administration:** It is difficult to give a comprehensive statement as to what 'applied administration' should exactly include because of the new and fast-growing field of public administration. Walker has made an attempt to classify the main forms of applied administration on the basis of ten principal functions, which are as follows:

- **Political:** It includes a study of executive-legislature relationship, politico-administrative activities of the Cabinet, minister-official relationships (the interrelationship between the ministers and the administrative personnel), etc.
- **Legislative:** It includes delegated legislation, preparatory work done by the officials in drafting of bill for the enactments, etc.
- **Financial:** It includes the whole of financial administration from preparation to the enactment of budget, etc.
- **Defensive:** It includes a study of military administration.
- **Educational:** It covers all aspects of the educational administration.
- **Social:** All the administration in the social field such as housing, food, social security and employment, etc. are included under the social functions.
- **Economic:** It covers all the administrative activities in the economic fields, i.e., industries, agriculture, foreign trade, commerce, public enterprises, etc.
- **Foreign:** It covers foreign administration, which includes international cooperation, international agencies for international peace, prosperity, diplomacy, etc.
- **Imperial:** It includes problems and techniques of imperial domination over other nations, etc.
- **Local:** It covers the administration of local bodies.

Although there is much of overlapping in the classification of Walker, it is a good attempt at an exhaustive definition of the applied administration. In a more summarized form, you can say that applied administration includes the study of administration in the various countries of the world; of various departments of services in the progressive states; of organization at various levels, i.e., governmental, local, national and international; of the historical development of administrative methods and techniques; and of the problems connected with international organizations.

1.2.2 Elements of Public Administration

The essential components of administration in any field, regardless of the area of operation or work, can be broken down into three important groups. Administration can be successful if it is characterized by the following three fundamentals of effective administration:

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- (a) Good interrelationship between the executive body and the legislature regarding policy- and decision-making (in the case of private sector, effective relationship among the board of directors)
- (b) Competency of the chief executive and his chief assistants and subordinates to streamline the policies and decisions adopted by the legislature or board of directors so that they are broken down into a series of action to be undertaken
- (c) Ability of the people in charge of operations in providing effective leadership to the rank and file so that they follow orders and carry out tasks that are laid down in the plans properly

Hence, it can be said that the elements of public administration comprise of three sets of considerations or hypotheses: the first consideration pertains to the part played by the executive head in making decisions and policies, the second to the interrelationship between the executive official and his immediate associates in the top structure of the administrative hierarchy, and the third to interrelationship between the higher operating chiefs and all employees of progressively lower rank.

People and government expectations

It may be observed that public administration is only a means to the attainment of the objects of the state itself. The scope of public administration varies with people's expectations of what they should get from government. A century ago they expected chiefly to be left alone. Now they expect a wide range of services and protection. Throughout the world, the demands made by people from governments have continually increased and in time to come they would further increase. The expansion of government functions inevitably means more of the administrative agencies, more officials and employees. The administrative system consequently grows and becomes diverse. Hence, it is quite natural that although public administration leans on the administrative branch of the executive organ only, but still its range is quite wide as it varies with people's idea of a good life.

CHECK YOUR PROGRESS

1. What is public administration?
2. List any three basic functions of public administration.
3. What is the managerial view of public administration?

1.3 SIGNIFICANCE OF PUBLIC ADMINISTRATION: THEORETICAL AND PRACTICAL

There has been a tremendous increase in the importance of public administration with the expansion of state activities. The state is no longer considered as the preserver of status quo; instead, the concept of the service state has been almost universally accepted. The centuries old notion of police state which was to be responsible only

for the maintenance of law and order and the policy of laissez faire, i.e., least interference in day-to-day activities, has completely lost its relevance. The modern state has undertaken the new role of accelerator of economic and social change as well as prime mover and stimulator of national development. With this change in the ends of modern state, the purpose of public administration has also been completely re-oriented. Its functions have enormously increased in number, variety and complexity and its methodology has grown from the trial and error stage into an orderly discipline with an organized, ever-increasing body of knowledge and experience. Today, you see a great bulk of administrative departments coming into being.

Since a child remains under public administration from 'cradle to grave', his birth as well as death is to be registered with the local authorities. There are a number of welfare agencies which provide all necessary benefits to the child. Besides, all of us use the services of public administration in almost every walk of life.

Public administration is an integral part of the social, cultural and economic life of a nation and is a permanent force in its life. It is possible for a state to exist without a legislature or an independent judiciary, but no state can exist without a well-organized administration.

With the great advancement of science and the invention of new techniques at all levels of human life, the problem of maintaining effective coordination between the administration and the rest of the community has assumed great importance. The administrator is the essential servant of the new age, which is becoming so complex that neither the bluster of the power politician nor the abundant goodwill of the multitude will avoid a breakdown, if, despite the adoption of right policies; wrong administrative steps are taken. Therefore, the pursuit of greater knowledge of public administration becomes the most essential feature of civilized government. Even civilization itself, rests upon the ability to develop a science and a philosophy and a practice of the administration competent enough to discharge the public functions of a civilized society.

1.3.1 New Public Administration

New Public Administration is an anti-positivist, anti-technical and anti-hierarchical reaction against traditional public administration. The origin of new public administration may be traced to the first Minnowbrook Conference held in 1968 under the patronage of Dwight Waldo. Some of the salient features of new public administration in the beginning were as follows:

- It was anti-positivist in more than one sense. It rejected the (i) traditional definition of public administration as *value-free*, (ii) rationalist and determinative view of mankind and (iii) politics-administration dichotomy.
- It was anti-bureaucratic and anti-hierarchical.
- It was anti-mechanistic in its approach to organization problems, rejecting overemphasis on the machine and the system

New public administration displayed an intense concern for relevant societal problems. It stressed on ethics, values, innovation and social equality. It laid great

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emphasis on human relations, a creative approach to administration and social change. It was, therefore, felt that to achieve the desired objectives, new public administration must have the following characteristics:

- It should increase orientation towards changing reality.
- It should influence policies that can improve the quality of working life and it should also have competence to implement such policies.
- It should be more oriented towards measuring the impact of laws on citizens rather than resting content with their mechanical application.
- It should be more normative and less neutral.

The basic elements of new public administration, as described in the report of a Delphi exercise conducted in 1972–73 by Emanuel Wald at the Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University, New York, were as follows:

- A softened normative approach
- Movement towards social technology
- Policy orientation
- Synchronization, i.e., the traditional breakdown of administrative activity into distinct functional components, such as planning, organizing, staffing, directing, coordinating, reporting and budgeting (POSDCORB)

The major landmarks in the growth and emergence of new public administration were as follows:

- Honey Report on Higher Education for Public Services (1967)
- Conference on the Theory and Practice of Public Administration (1967)
- The Minnowbrook Conference (1968)
- Publication of *Toward a New public Administration: The Minnowbrook Perspective*, edited by Frank Marini (1971)
- Publication of *Public administration in a Time of Turbulence*, edited by Dwight Waldo (1971)

1.3.2 Honey Report on Higher Education for Public Services (1967)

In 1966, an affiliate of the American Society for Public Administration asked John C. Honey of the Syracuse University to undertake an evaluative study of public administration as a field of study in the US universities. The Honey Report, submitted in 1967, is significant in the sense that it disclosed the true state of health of the discipline of public administration. It sought to broaden the subject's scope by making it continuous with the total governmental process (executive, legislative and judicial). It identified the following four problems confronting it and suggested immediate action on them:

1. Insufficient resources at disposal of the discipline (*students, faculty and research funds*)

2. Intellectual argument over the status of the discipline: Is it a discipline, a science or profession
3. Institutional weakness (inadequacy of public administration departments)
4. Gap between scholars of public administration and the practising administrators

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The Honey Report made the following eleven recommendations:

1. The establishment of a National Commission on Public Service Education to exert broad leadership in meeting the needs of governments for educated manpower
2. A substantial fellowship programme for postgraduate students who are preparing for public service at the master's and doctoral levels and for professional degrees
3. Internship programmes to operate at federal, state and local levels for postgraduate students and advanced undergraduates preparing for public service careers
4. A special fellowship programme for those planning to become teachers of public administration and public affairs in schools
5. A programme to provide opportunities for practical governmental experience to university faculty engaged in public affairs teaching and research
6. A programme of assistance to universities for public affairs, curricular experimentation and development
7. Support for university personnel engaged in research on governmental and public affairs issues
8. Support from federal, state and local governments and from private industry for the provision of facilities to schools and programmes of public administration and public affairs
9. The establishment of an advisory service for new public affairs programmes and the development of personnel rosters to provide current information on experienced graduates of schools of public administration and public affairs
10. A study of the universities and education for public service with the purposes of showing how various types of institutions now approach their public service, educational activities and other tasks and identifying simulative and innovative developments as well as deficiencies and problems
11. A study of the professions, professional education and the public service

The Honey Report aroused interest as well as controversy in the US. What it said was important but what it did not say carried even greater meaning. It, for instance, said nothing about public administration's role in a strife-torn tumultuous society of the period. The Report induced many scholars to think deeply about its place and role in the society and thus it, in a way, acted as a catalyst in encouraging discussion on its adequacy in solving societal problems.

1.3.3 Conference on the Theory and Practice of Public Administration (1967)

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Believing that there have been some rapid developments in the field and that a new synthesis or selective appraisal would be currently useful to the American Academy of Political and Social Science, a conference was held in Philadelphia in December 1967 to discuss the topic 'The Theory and Practice of Public Administration: Scope, Objectives, and Methods'. James C. Charlesworth was the Chairman of the conference. He described the feelings of the participants as:

'The participants in this meeting evinced a mood to make a bold and synoptic approach to the discipline of public administration and sought to measure the importance of public administration in a broad philosophic context and to consider whether it is an adornment of the mind as well as a practical instrument of government.'

Varied were the views expressed by the participants. Public administration was viewed as an academic discipline, as a field exercise and as a profession. Some defined public administration as ministration in the *public interest*, while others made it coterminous with *governmental administration*. There was no agreed definition of public administration, but there emerged a broad consensus on the following points:

- It is just as difficult to delineate the scope of public administration as it is to define it.
- Public administration agencies make policy and the policy– administration dichotomy is erroneous.
- American public administration as a discipline should deal restrictively with public administration in America.
- Bureaucracy should be studied functionally as well as structurally.
- Public administration and Business administration training should not be combined since they are similar only in unimportant aspects.
- Public administration as a profession should remain separate from the profession and discipline of political science.
- Normative administrative theory as well as descriptive analytic theory in public administration is in a state of disarray.
- A hierarchical/pyramidal view of organizational authority is no longer appropriate. Administrators must view workers as *coordinates* rather than *subordinates*. The executive is not so much on top as he is in the centre, being affected by *subordinates* who surround him.
- Policy and political considerations are replacing management ability as the major focus of concern in public administration. Computerized information is not good simply because it is computerized. Nor does *planning, programming and budgeting system (PPBS)* provide reliable political answers. Quantification and cost analysis cover only a small part of the total factors in a decision.

- Administrators of the future should be trained in professional schools; public administration curricula should emphasize not only administrative organizations and procedures but also the psychological, financial, sociological and anthropological envelopments of the subject.
- Public administration has not been able to deal with societal problems. Public administration theory has not caught up with emerging problems, such as the huge military establishment, large industrial complexes, riots, labour unions, strikes, public school conflicts, slums, the impingement of science, etc.
- Public administration is a discipline but it cannot employ all the methodologies of the contemporary social science. While parts of public administration are capable of using scientific methods, other important parts of the discipline are not amenable to scientific treatment. In the words of Charlesworth: 'We can be scientific, if we severely limit the scope of our discipline, but if we did, would we not excise its most valuable parts? And we are scientific in some corners, our subject is heavy with values and prescriptions, we can never be scientific.'

It is significant that at least some of these views found full-throated expression in the Minnowbrook conference, and thus the Philadelphia conference could be credited with being a precursor for the Minnowbrook event.

1.3.4 The Minnowbrook Conference (1968)

The genesis of the Minnowbrook Conference lay in two factors. First, the 1960s was a turbulent period besieged by numerous societal problems, but Public administration showed no signs of being aware of them, much less being serious to solve them. This was well highlighted by Waldo's article, *Public Administration in a Time of Revolutions*, published in a public administration review in 1968. Second, there was a need to hear young scholars as the discipline of public administration was facing the problem of generation gap. The Philadelphia conference, it may be noted, was attended by participants who were above the age of 35 years with the majority of them being even in their fifties and sixties. Where were the scholars and practitioners who were in their 30s? The younger age group was invited to the Minnowbrook conference. Thus, the Minnowbrook conference was the youth conference on public administration and it was this academic get together which gave rise to what has to be known as new public administration.

The key-note of new public administration is an intense sensitivity to and concern for the societal problems of the day. Its parameters are relevance, post-positivism, morals, ethics, values, innovation, concern for clients, social equality, etc. The proponents of new public administration express their dissatisfaction with the state of the discipline of public administration and want it to be attentive to problems presented by the turbulent times. The advocacy for a post-positive approach emphasized the need to abandon value-free and value-neutral research and instead to cultivate an approach emphasizing social equity. Social equity means that public administrators should become champions of the under-privileged sections of the society. This implies that they must become active agents of change and non-believers

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in status quo. New forms of organization need to be carved out to suit the fast changing environment. Emphasis is placed on cultivation of client-loyalty and programme-loyalty.

The Minnowbrook conference is rightly credited with the honour of having produced the first coherent grammar of new public administration. It was this conference which expressed very loudly and clearly the dissatisfaction with the state of the discipline. It was the first conference which sought to give a new image to public administration—a subject actively concerned with the problems of the society and full of reformist intentions.

The Minnowbrook perspective—in a time of turbulence

The Minnowbrook ideas found wider circulation through Marini's and Waldo's works. Marini's *Toward a New Public Administration—The Minnowbrook Perspective* is the first published work on new public administration and is thus a pioneer in the area. Waldo's *Public Administration in a Time of Turbulence* carries forward the Minnowbrook idea. At the 1969 annual conference of the American Political Science Association, a series of panel discussions were organized by him, his attempt being to catch the younger age group. Waldo's work includes the papers presented at the conference.

New public administration certainly broke fresh ground and imparted new substance to the discipline. In the process, it prepared an agenda for action, a part of which at least is of populist nature. One also suspects that its advocates are trying to arrogate to themselves what really falls within the legitimate domain of political institutions, processes and leadership. New public administration has some radical contents but these can be successfully implemented only by legislative and political will.

Thus, public administration has come a long way since 1887. It has established its credentials as an autonomous field of enquiry. Scholars of public administration have sought to borrow a lot from other disciplines, making it truly inter-disciplinary in nature. Public administration has faced both empirical and normative thrusts from time to time. It has also incorporated many new developments from the field of policy sciences.

It is also important to see here the reforms that are working in the industrial and development contexts. In the industrial context, the old public administration was characterized by two traditions:

1. Colonial bureaucracy
2. Business power

The objective of both was profit. Bureaucracy and business management characterize the contemporary public administration as well. However, today, the state cannot leave the individual alone to pursue his own happiness. The basis of the modern administrative welfare state is the maximum number. This change in the nature and scope of the functions of the state has been brought about by industrialization. Today, the administrative state circumscribes the whole life of a man.

In the development context, most developing countries are trying to bring about rapid socio-economic development by introducing changes in almost all the sectors, including social overheads, infrastructural facilities and productive enterprises like industry and agriculture. As an indispensable aid to nation-building, the role of public administration is now universally acknowledged and it is reflected in the *New Administrative Science*, also known as *development administration*. Edward Weidner, one of the pioneers in this field, has defined development administration as action-oriented, goal-oriented administrative system.

It may be noted that administration in developing countries is more politically or ideologically oriented and influenced to a greater extent by a socio-political elite group than that in the advanced countries. Development administration is thereby characterized by the following features:

- Change orientation
- Result orientation
- Commitment
- Client orientation
- Temporal dimension

What holds good for the developed countries is also relevant to the needs of the developing nations in the field of administration as leaving except the technological sophistication of the West, the fundamentals frame is the same — the administration working for change, a change accepted by the national policy framers. If administration does not keep pace with this change, its socio-economics and political implications can be serious.

CHECK YOUR PROGRESS

4. What are the basic elements of new public administration?
5. State any two recommendations made by the Honey Report on higher education for public services.

1.4 COMPARATIVE PUBLIC ADMINISTRATION

Comparative administrative system is defined as the study of administrative systems in a comparative fashion or the study of public administration in other nations. It may also be defined as the 'quest for patterns and regularities in administrative action and behaviour'. Many issues have hindered the growth and development of a common administrative system, such as the major differences between Western countries and developing countries; the lack of success in developing theoretical models which can be scientifically tested; and so on. Comparative public administration studies can compare different types of states at the same time, such as religious states versus secular states or authoritarian states versus democratic states, etc. Although administrative systems vary greatly across the world, there are some common elements which characterize all countries/governments, such as the recruitment of

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bureaucrats and common programmes (for example, a taxation regime) and common roles (for example, rule-making). These systems can be compared.

1.4.1 Nature, Scope and Importance of Administration in Developing and Developed Nations

Burke rightly remarked, 'Without proper management, your commonwealth is no better than a scheme on paper and not a living, active, effective constitution. Administration is there under all situations. There would be no existence without administration.'

Dimock says, 'It does not take much thought to realize that popular government can only be made competent enough through proper administration to survive the complexities and confusion of a technological civilization.'

According to Ira Sharkansky, development exists in societies:

- (i) That have relatively equal distributions of benefits
- (ii) That utilize modern technology
- (iii) That assign rewards according to personal achievement and not according to family, caste or tribal background
- (iv) That use specialists in economic and governmental roles, instead of generalists who must provide leadership in a full range of activities
- (v) That have governmental units that can adjust to social or economic change and acquire new capabilities to meet new demands

We will now examine separately the role of public administration in developing and developed countries.

Developing countries are characterized by low per capita Gross National Product (GNP), widespread poverty, scarcity of capital, rapid population growth and high dependency-burdens, low levels of productivity, technological backwardness, greater income inequalities, wide gap between urban and rural development, a negative balance of trade and a non- or semi-industrial agrarian economy.

Developing countries (with per capita income of \$580 and below) constitute 57 per cent of the world's population, accounting for only 5 per cent of the total world GNP. In comparison, the developed economies with per capita income of \$18-330 constitute 16 per cent of the world population and account for 73 per cent of the world GNP. Such a situation is politically unstable, morally untenable and psychologically unsound.

According to Prof. Jacob Viner, 'A developing country is one, which has good potential prospects for using more capital, or more labour, or more available natural resources, or all of these, to support its present population on a higher level of living.' Gunnar Myrdal has termed developing countries as 'soft states'. Coupled with the greater possibility of economic progress, developing countries are run through traditional administration, based on outdated processes and procedures, corrupt practices and ill-equipped politico-administrative leadership.

Henderson and Dwivedi in their brilliant article, 'Administered Development: The Fifth Decade-1990s', have warned the developing countries of poor performance

if they do not improve their administrative system. Administrative reforms when and if attempted, tended to have the long-run consequence of strengthening the old framework. The developing nations have a vital stake in orderly functioning of their administrative systems. The time has come for them to opt for accelerated development so as to catch the progress thwarted by their creation of a thicket of rules, regulations and permits, and the like, in the past. The 21st century will test their capability if they are able to mobilize their financial and human resources. They can ill-afford another decade of stagnation or arrest of growth; and further, they should know that the economic prosperity is not the monopoly of the West alone; anyone can aspire and achieve that but not by remaining a passerby.’

Developing countries are entrenched in heterogeneity based on caste, religion, area, etc. For example, in India, even after more than five decades of independence, we still find the existence of explicit manifestations of hostile heterogeneity, which is detrimental to development. Huge resources are wasted in solving unproductive problems. Public administration should generate social change to inject modernization. Jawaharlal Nehru rightly remarked: ‘Political integration has already taken place to some extent but what I am after is something much deeper than that, viz., an emotional integration of the Indian people so that we might be welded into one, and made into one strong national unit, maintaining at the same time all our wonderful diversity.’

Therefore, there is an absolute need to weed out ‘distinctions of caste and creed, banish unsociability, improve the lot of hungry masses, and live as one joint family—in short, to create a new way of life and bring about a change of heart and a change of outlook.’

Public administration in developing countries, through impartial and honest administration, needs to create social cohesion such that social upheavals may not germinate. The calamities resulting from social upheavals like the Ayodhya issue may be more serious for the country than the World Wars.

1.4.2 Public Administration in Developing Countries

The widespread poverty and the depressed standards of living of such a large number of people pose a very serious threat to peace as well as socio-economic development. The reasons for poverty and misery in developing countries are not the lack of potentialities or resources, human or material, but the under-utilization of these resources. Today, developing countries are not utilizing more than 15 per cent of the potential capacity of their human resources due to inadequate expertise and deficient system of public administration. Suitable schemes and programmes need to be devised and implemented through enhanced participation of people for achieving desirable results.

I. Creating conditions for the absorption of Science and Technology

During the last few decades, phenomenal changes have taken place at a fast rate in the field of science and technology as well as in the external environment. These changes have had their impact on public administration also, which today has to shoulder multifarious tasks designed to fulfil the rising aspirations of the people. In the words of Professor Waldo, public administration is ‘a part of the cultural complex,

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and it not only is acted upon, it acts.' It is a great creative force. The technological scene seems to be exploding and the result, instead of the desired improvement in productivity, seems to be confusion. Thus, they are too often not prepared for the overwhelming managerial problems involved in the implementation of these newly invented technologies. For example, the Indian administration is trying to follow in the footsteps of developed countries and is issuing Adhaar cards. But recently, several Adhaar cards were found lying with vendors and in garbage bins, while the recipients were trying to get a duplicate copy made. So, even though the government had made use of new technology, a lack of proper management at the lower levels had failed in the whole purpose of bringing any form of social security to the citizens. There is an urgent need to re-orient (improve) the systems of public administration to cope with fleeting changes in technology and social behaviour so as to maximize opportunities for raising productivity and eventually the standards of living of the people.

II. Improving administrative system - good governance

The ideals of the welfare state—progress, prosperity and protection to the common man—can be secured only through impartial, honest and efficient administration. In the words of Professor Charles Beard, 'the future of civilized government, and even I think of civilization itself, rests upon our ability to develop a science, a philosophy and practice of administration competent to discharge the functions of civilized society.' Thus, there is a need that public administration must be modernized, that is, recreated, renewed and revitalized to produce the required changes and output necessary to provide goods and services to the people at minimum cost. This needs a different trend and magnitude of administration, culture and capability.

III. Improving administrative capability and capacity

The administrative capability of a government and the manner in which the development programmes are likely to be carried out are intimately related. On the other hand, administrative inadequacies in a national government have a retarding influence on economic and social development. These deficiencies prevent the vast flood of money, talent and material from achieving their objectives.

IV. Enlisting the support of the people

Public administration in developing countries has not been able to involve the people in the process of development in spite of the creation of many institutions like the Panchayati Raj system, because a vast majority of people are still struggling to make ends meet and there is rampant corruption at most levels of the administration. Thus, these countries are not utilizing the unlimited potential power in them. All the plans and programmes are based on the premise that people's support would be forthcoming, but in practice, administration makes no realistic effort towards this end. Hiroshi Nakajima, Director General of World Health Organization, has rightly said that we must learn to harness the energy, wisdom and will of the people we serve. Thus, the significance of people's participation in public administration in developing countries is tremendous, as it is the main instrument of development.

V. Strengthening of law and order machinery to ensure safety of the people

Economic development in the developing countries is not possible without ensuring a good law and order system in which people feel safe and free. Law and order in the developing countries is still considered primitive and abused by the party in power. People have lost their faith in the impartiality and true role of law and order machinery. Developing countries must ensure a good law and order machinery, which can create conditions for development and modernization. There is a critical link between the legal system of a developing nation and the process of economic development through economic reforms. Developed nations are characterized by a single unified legal structure, while the legal structure of developing nations is mostly found to be weakly enforced and inconsistent. The Western system of law is applied in an indigenous setting without taking into account the singularity of influences, factors that impact a particular nation. This makes the legal system quite incoherent. The creation of a single, unified legal structure seems to be a daunting task. Unless the problem of a weak law system is tackled, there is very little safety for the citizens of the developing nations.

VI. Removal of corruption

Corruption in developing countries has become cancerous. Even at the levels of higher authority, cases of corrupt practices involving huge amounts are reported daily. The 2G Spectrum scam, Commonwealth Games scam, Telgi scam, Bofors scam, Fodder scam, VVIP helicopter scam, etc. are some of the known examples of corruption in our country. Most of the activities are carried out not on merit, but upon other considerations. It is high time that corrupt practices are eliminated so that all do their work sincerely, honestly and with dedication.

VII. Incompetence of bureaucracy

Bureaucracy is a pyramidal hierarchy, which functions under impersonal, uniform rules and procedures, and is defined as a formal organization which has formal rules and departments to coordinate hierarchical areas of activities. Thus, in such a formal organization to look for an informal structure is to recognize how the relations within the bureaucracy are guided. Bureaucracy, as described by Max Weber, has a division of labour, authority structure, roles defined for members and rules to guide activity. Robert K Merton emphasized that formal relationships and formal structure of bureaucracy redefine informality, which to an extent result in inefficiency. While formal rules and close control mean reliability of bureaucracy, the very same stricture leads to lack of flexibility and an informal tendency to turn means into ends. The pyramidal structure, in fact, induces individual internalization, resulting in a goal displacement.

Ferrel Heady outlines the following characteristics of bureaucracy in these countries:

- (i) The public service providing state is large-scale, complex and instrumental, i.e., its mission is understood to be that of carrying out the policies of political decision-making.

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- (ii) The bureaucracy exhibits a sense of professionalization in the sense of identification with the public service as a profession, and in the sense of belonging to a narrow field of professional or technical specialization within the service.
- (iii) The bureaucracy is highly specialized and reflects in its ranks most of the professional and occupational categories found in the society.
- (iv) The role of bureaucracy in the political process is fairly clear and the line of demarcation between the bureaucracy and other political institutions is generally well-defined. This is due to the fact that the political system as a whole is relatively stable and mature and the bureaucracy is, therefore, completely developed.
- (v) The bureaucracy is subjected to effective policy control by other functionally specific political institutions.

These features combine and militate against bureaucratic legitimacy, efficiency and political responsiveness. Such bureaucracies tend to be very hierarchical and dominated by a group, which is culturally and socially unrepresentative of the population at large.

1.4.3 Public Administration in Developed Societies

Public administration is equally important, rather more important, in developed countries as well. This is so because the citizens of a developed nation expect the state to cater to their needs as it has been already doing. The state provides several welfare services and protection to its citizens. Additionally, the government has to maintain the state-owned industries while also monitoring the private enterprises. The modern and developed society is more complex, and needs specialized bureaucrats who can maintain the status quo. In a nutshell, public administration in developed countries has to ensure the maintenance of development as well as accelerate development from their point of view.

I. Features of developed societies

Developed countries are facing new challenges like environmental pollution, economic strains visible through unemployment and low growth rates, growing violence, less capacity to provide technical assistance as compared to the demand from developing countries, adjustment of the administrative system with fast changes in science and technology, maintenance of good relationship among the nations of the developed world, preservation of their hold on developing world, and so on. All these challenges require a system of public administration, which is engaged constantly to take care of the existing, potential and future problems as well as concentrate on keeping itself fit and fine.

II. Regulating the private sector to promote accelerated development

Public administration in advanced countries has to develop the administrative machinery to regulate the development being taken up through private sector, so that it may fall in line with the total development and benefit the citizens. We generally hear about market economy model of development in advanced countries, but it is

absurd to think that it is totally free of control. In USA, there are well-established inter-state regulatory commissions.

Public administration exercises this regulatory role to such an extent that private sector cannot deviate from the policies of the government. In developed countries, public administration through 'management by exception' gets better results through the regulation of the private sector than entering in the field directly. In this way, the private sector is held in high esteem by the citizens in the context of services provided by it. We should make use of such practices in India also.

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III. Refinements of the instruments of public administration to promote efficient services

People in developed countries are highly sensitive about their rights. Being educated, they exert pressure on the government machinery to get their due status. Public administration has to refine its procedures and methods to provide best services to the people and remove all irritants. People in these countries are treated as human beings and not like beasts, as is the case in developing countries.

Public administration has to make the administrative system citizen-oriented. Since the demands of the citizens are likely to increase, therefore, public administration in developed countries has to keep its administrative apparatus frictionless and efficient.

IV. Maintenance of reputation, image and goodwill of the country

Public administration in developed countries is keen to maintain its reputation, image and goodwill, so that people from developing countries can be attracted for political, economic and social reasons. It has been seen that persons from developing countries in high offices and wealthy strata would prefer to get treatment in foreign health institutes even if that very facility is available in their country. Similarly, people from developing countries would prefer to get education in foreign educational institutions because of their higher standard of education and methods of educational administration.

V. Continuous efforts for administrative improvements and reforms

Public administration in developed countries is keen to keep its machinery well lubricated. In some of these countries, it is statutory to get the administrative system analysed after a period of every three years. The result of all this is that their administrative system is well-designed and result-oriented. They have rather followed the definition given by Jawaharlal Nehru, the late Prime Minister of India: 'Administration is meant to achieve something and not to exist in some kind of ivory tower following certain rules of procedure and looking Narcissus like – the test of administration is the welfare of the people.'

VI. Highly specialized agencies to discharge complicated and complex functions

Public administration is keen to deal with the tasks of development. Take the case of any field of development – health, education, industry, etc., and we would find the

latest technology being put to use and prompt changes in administrative system installed to suit scientific and technological developments.

VII. Public administration through environmental management

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Environmental problems—such as environmental pollution, acid deposition, depletion of the ozone layer, global warming—are a by-product of development. These problems are causing anxiety and worry to the developed world. The UN Secretary-General’s report on problems of environment strikes a pessimistic note. To quote: ‘If current trends continue, the future of life on earth could be endangered and, thus, it is urgent to focus world attention on these problems which threaten humanity in an environment that permits the highest realization of human values.’ Public administration in developed countries needs to attend to this problem on priority basis. Hence, public administration has not only to keep a watch on its immediate environment, but also on the totality of environment, based on good management information system.

Hence, public administration in developed countries needs to help the developing world, so that environmental problems in these countries may not affect the quality of life in the developed world.

VIII. Public administration to check crime

Public administration needs to devise ways and means to control increasing violence and social problems like rape, drug addiction and AIDS. Public administration in the developed world is facing the problem of increasing violence born out of affluence. Public administration needs to face these problems through new approaches to law and order and social welfare administration. These aspects of public administration are more important as the acceleration in economic development is dependent upon them. Besides, the main aim of administration, i.e., to provide means to the populace to lead a good life, may not be possible without tackling these problems.

We can, thus, conclude by saying that public administration in developed countries is of great significance to maintain and accelerate the process of development and to keep in check its negative effects. It may be kept in mind that the more a country is developed, the more efficient system of public administration is required. Thus, the significance of public administration is more in developed countries as compared to the developing ones. It would be correct to say that development is linked directly to a good system of public administration and vice-versa. Advanced countries, as already mentioned, cannot survive till the developing countries are also able to get food, clothing, shelter, etc. There cannot be two worlds on this earth, the affluent and the poor. Therefore, it is the duty of developed countries to help developing countries in their efforts for socio-economic development.

CHECK YOUR PROGRESS

6. Define comparative administrative system.
7. Write down any four characteristics of a developing country.
8. State any two characteristics of bureaucracy in developing countries.

1.5 DEVELOPMENT ADMINISTRATION

The concept of development administration has a contemporary origin. It owes much to the work of American experts on comparative administration. Edward Weidner, one of the pioneers in this field, defined development administration as an action-oriented, goal-oriented system. Development administration has its origin in the desire of the richer countries to aid the poorer countries and more especially in the obvious needs of the newly emerging states to transform their colonial bureaucracies into more responsible instruments of societal change. The simple underlying conception was that the transfer of resources and knowledge would hasten the modernization process from agrarian to industrial, using government and public sponsored bodies as change agents. The transformation of resources would be conducted through international bodies, mutual aid programmes and bilateral agreements. The recipients would channel their newly generated change of their own accord, such as education, health, capital investment, communication, science and research. However, foreign aid did not turn out to be universal stimuli. For some newly emerging countries, it was a drop in the ocean compared with their requirements. Thus, development administration spread its interest from foreign aid programmes to the domestic public policy programmes of recipients.

Earlier, development administration was largely a virgin territory. Many colonial administrators showed no interest or may be the new political leaders had no experience in statecraft and very little competence. As no one had tried before to hasten development artificially, there were no guidelines. At first, everything had to be improved before any kind of base could be established and from which coherent public policies could be formulated and practical programmes implemented. In fact, the developmental network had to be superimposed on a traditional law and order frame or placed alongside the existing structure.

The chief characteristics of development administration are as follows:

- Development administration is grounded in normative concept that development can be planned, directed and controlled, improvement in quality and quantity of societal products is desirable and obstacles to development can be overcome.
- Development administration is grounded in reality as it concerns itself with the practical solution of human problems, for example, daily problems of public administration and the real world in which people live.
- Development administration is time consuming. It performs a series of functions for which the physical, social, psychological and institutional resources are seldom available in sufficient quantity in proper combinations. The obstacles to achievement are often overpowering, and time is relentless to those who hope to realize results in decades rather than centuries.
- Development administration is universal. It rejects any distinction between countries where growth is spontaneous needing no artificial stimulus and where the capacity to cope with rapid change is self-adjusting and those countries that seem to lack the requisite components of self-development

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and where change has to be induced externally through governmental action. All countries are developing—some at a faster pace than others and facing different developmental problems. The most serious problem of all, however, is the persistent gap between rich and poor countries, quickly developing and slowly developing regions and the possibility that the gap between them is widening.

- Development administration is change oriented. The distinctive mark of development administration is its central concern with rapid socio-economic change. This special orientation distinguishes development administration from general administration, which is basically concerned with maintenance of status quo. It is the government influenced change towards progressive political, economic and social objectives. Development administration includes formation of new agencies such as planning organizations and development corporations, reorientation of established agencies such as departments of agriculture, delegation of administrative powers to development agencies and creation of a cadre of administrators who can provide leadership in stimulating and supporting programmes of social and economic improvement. It has the purpose of making change attractive and possible. It consists of efficient management of public development programmes and the stimulation of private development programmes.
- Development administration is result oriented since changes have to be brought about rapidly and within a defined time limit. Its performance is related to productivity in terms of increase in per capita income, provisions of health and welfare facilities.
- Commitment to work, commitment to change and concern for completing time-bound programmes constitute the organizational role expectations in development administration. Administrators are expected to be involved and emotionally attached to jobs they are called upon to perform. The rapid socio-economic development requires a sharp break from the past. The new strategy of decision making that promises to fit with the aspiration of the people and goals of development seems to be the inhibition of the process of participative, decision making after due consultation with field officers.
- Development administration is client oriented in the sense that, it is positively oriented towards satisfying the needs of specific target groups. Hence, their satisfaction is an important criterion for evaluating performance. The people are looked at as active participants in public programmes. This close nexus between public and administration is an essential attribute of development administration.
- Most of the developmental plans in a society have to be citizen oriented as it is the citizen who ultimately derives the benefit of development. The officials working are supposed to be nearer to the citizens and have, therefore, a continuing responsibility to acquaint the higher officials about the problems at their levels, since they have to initiate policy actions about

the overall assessment of the need of the people. In the development context, therefore, frequent consultations and participative decisions between higher and lower level of officials are inevitable. The administration does well in taking participative decisions where the lower-level officials have the opportunity of bringing to the notice of higher officials the desires of a common man. The pay-off from participative decisions may at times bring about improved performance of activities meant to ensure the maximum good for the maximum number of persons, bringing administration to the doorstep of the citizen and bringing about a direct relationship between the client and the administration which is a driving force behind decentralization in most developing countries.

Hence, the traditional concept of people as passive beneficiaries has to be replaced by the newer concept of people as active participants.

M. J. Esman, in his book, *The Politics of Development Administration*, defines, the task of nation-building and socio-economic development in broad political rather than administrative terms as follows:

- Achieving security against external aggression and ensuring internal order
- Establishing and maintaining consensus on the legitimacy of the regime
- Integrating diverse ethnic, religious, communal and regional elements into a national political community
- Organizing and distributing formal powers and functions among organs of central regional and local governments and between public authority and the private sector
- Displacing traditional social and economic interests
- Developing modernizing skills and institutions
- Fostering psychological and material security
- Mobilizing saving and current financial resources
- Planning for investment rationally
- Managing facilities and services efficiently
- Activating participation in modernizing activities essentially in decision-making roles
- Achieving a secure position in international community

The American theorist Esman had the third world in mind, when he was writing the functions of development administration. However, in his opinion, the development tasks are of universal application. Howard Wriggins, an American theorist, explains the tasks of development administration as follows:

- Provision for the minimum level of essential services
- Equitable distribution of wealth and income
- Maximum utilization of material and manpower resources
- Protection to weaker sections of the community
- Development of ways and means to integrate diverse communal religious, tribal and other elements into a national political community

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- Development of educational infrastructure together with vocational and professional institutions

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1.5.1 Bureaucratic and Political Adaptation of Development Administration

Development administration is essentially change oriented. It should therefore be flexible and adaptable to meet quickly changing circumstances. In unstructured situations, decision making has to be much more situational, innovative and creative. Development situations require risk-taking and achievement orientation. Organizational rules and procedures cannot be allowed to get precedence over target achievement. It is more a function of individual administrative behaviour and style of operation. Status, which is at the core of bureaucratic hierarchy, is replaced by service motivation in development administration. The changing role of bureaucracy in development administration is characteristic in such phrases as development bureaucracy and non-Weberian model of bureaucracy.

Development administration calls for both qualitative and quantitative changes in bureaucratic policies, programmes, procedures and methods of work, organizational structure and staffing patterns, number and quality of development personnel of different types and patterns of relation with clients of administration. To fit bureaucracy into developmental tasks, changes are needed both on structural and behavioural fronts. Structurally, de-emphasis on hierarchy is suggested to get rid of the conventional organizational pyramid, which leads to centralization and creates tension and inter-personal conflicts and redesign organization to enable collegiate decision making and promote collaborative problem-solving.

Most of the development activities take place at the field level away from the capital city or headquarter administration. Decentralization of authority is necessary to enable the field units to take decisions on the spot as far as possible, without waiting indefinitely, for central clearance. Decentralized decision making is facilitated by creating separate fairly autonomous units of administration at the field level. Communication or flow of information is the life blood of an organization. In pushing through measures for socio-economic development the organization has to have free flow of messages and information unhindered by the status levels within it. Speedy and effective decision making needs the support of reliable information through free flow of communication.

Development has to depend a lot on political management as the impulse for change comes more often from political leadership. To accept the supremacy of the political and to work alongside him as a co-partner in development enterprise are the in-built requirements of development administration. Moreover, corresponding behavioural changes are needed to make bureaucracy change oriented result oriented and people oriented.

1.5.2 Development Ideology

Development is the employment of modern techniques, both technical and social in the pursuit of societal objectives. It is the attainment of result, not rationality from or

ritual. To achieve this end, an ideology of development is essential. Weidner has described it as a state of mind which fosters the belief in equitable progress. Esman sees it, as a doctrine incorporating reliance on ideology for decision criteria, priority to fundamental social reforms political and social mobilization, latitude for competitive political action and interest articulation ethnic, religious and regional integration, governmental guidance of economic and social policy and commitment to the future. Development being political depends on government action. It is carried out by the living constitution. It is affected by changes in political regime, party composition of the government and personality of the political leaders.

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CHECK YOUR PROGRESS

9. Write down any two chief characteristics of development administration.
10. According to Howard Wriggins, what are the tasks of development administration? Write down any three tasks.

1.6 SUMMARY

- Public administration is centrally concerned with the organization of government policies and programmes as well as the behaviour of officials (usually non-elected) formally responsible for their conduct.
- According to L. D. White, 'Public administration consists of all those operations having for their purpose the fulfilment or enforcement of public policy.'
- As an academic endeavour, public administration is concerned with the pursuit of understanding relating to the real and proper structure and functioning of government organizations and behaviour of organizational participants. The study of public administration is the study of most effective ways of organizing the executive branch of a government, its institutions and procedures.
- Public administration has to play a very significant role as an instrument of development and change. The administration of a country reflects the genius of its people and embodies their qualities, desires and aspirations.
- Basic functions of public administration include: Providing schools, offering medical facilities, implementing social security measures, providing good infrastructure, promoting economic growth and executing policies.
- There are two divergent views regarding the nature of the study of public administration. These are: integral view and managerial view.
- Public administration includes the totality of government activity, encompassing exercise of endless variety and the techniques of organization and management whereby order and social purpose are given to the effort of vast numbers.
- The essential components of administration in any field, regardless of the area of operation or work, can be broken down into three important groups. Administration can be successful if it is characterized by the following three fundamental of effective administration: (a) Good interrelationship between

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the executive body and the legislature regarding policy- and decision-making (b) Competency of the chief executive and his chief assistants and subordinates to streamline the policies and decisions adopted by the legislature or board of directors (c) Ability of the people in charge of operations in providing effective leadership to the rank and file.

- New Public Administration is an anti-positivist, anti-technical and anti-hierarchical reaction against traditional public administration. Its origin may be traced to the first Minnowbrook Conference held in 1968. Some of the salient features of new public administration in the beginning were as follows: (i) It was anti-positivist in more than one sense. (ii) It was anti-bureaucratic and anti-hierarchical.
- New public administration displayed an intense concern for relevant societal problems. It stressed on ethics, values, innovation and social equality. It laid great emphasis on human relations, a creative approach to administration and social change.
- The Honey Report, submitted in 1967, is significant in the sense that it disclosed the true state of health of the discipline of public administration. It sought to broaden the subject's scope by making it continuous with the total governmental process (executive, legislative and judicial).
- Comparative administrative system is defined as the study of administrative systems in a comparative fashion or the study of public administration in other nations. It may also be defined as the 'quest for patterns and regularities in administrative action and behaviour'.
- Developing countries are characterized by low per capita Gross National Product (GNP), widespread poverty, scarcity of capital, rapid population growth and high dependency-burdens, low levels of productivity, technological backwardness, greater income inequalities, wide gap between urban and rural development, a negative balance of trade and a non- or semi-industrial agrarian economy.
- According to Prof. Jacob Viner, 'A developing country is one, which has good potential prospects for using more capital, or more labour, or more available natural resources, or all of these, to support its present population on a higher level of living.'
- Public administration in developing countries, through impartial and honest administration, needs to create social cohesion such that social upheavals may not germinate.
- Public administration is equally important, rather more important, in developed countries as well. This is so because the citizens of a developed nation expect the state to cater to their needs as it has been already doing. The state provides several welfare services and protection to its citizens.
- The concept of development administration has a contemporary origin. It owes much to the work of American experts on comparative administration. Edward Weidner, one of the pioneers in this field, defined development administration as an action-oriented, goal-oriented system.

- Some characteristics of development administration are: (i) Development administration is grounded in normative concept (ii) Development administration is grounded in reality (iii) Development administration is time consuming (iv) Development administration is universal (v) Development administration is change oriented (vi) Development administration is result oriented (vii) Development administration is client oriented.
- Development is the employment of modern techniques, both technical and social in the pursuit of societal objectives. It is the attainment of result, not rationality from or ritual. To achieve this end, an ideology of development is essential.

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1.7 KEY TERMS

- **Public administration:** Public administration is centrally concerned with the organization of government policies and programmes as well as the behaviour of officials (usually non-elected) formally responsible for their conduct.
- **New Public Administration:** It is an anti-positivist, anti-technical and anti-hierarchical reaction against traditional public administration.
- **Comparative administrative system:** It is defined as the study of administrative systems in a comparative fashion or the study of public administration in other nations.

1.8 ANSWERS TO ‘CHECK YOUR PROGRESS’

1. Public administration is that part of the science of administration which has to do with government and thus concerns itself primarily with the executive branch where the work of government is done, though there are obviously problems in connection with the legislative and judicial branches.
2. The three basic functions of public administration are as follows:
 - (i) Execute policies
 - (ii) Promote economic growth
 - (iii) Provide good infrastructure
3. The work of only those persons who are engaged in the performance of managerial functions in an organization constitutes the administration. It is these persons who shoulder the responsibility of keeping the enterprise on even keels and to run it most efficiently. Their job is to plan, programme and organize all the activities in an organization so as to achieve the desired ends.
4. The basic elements of new public administration, as described in the report of a Delphi exercise conducted in 1972–73 by Emanuel Wald at the Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University, New York, were as follows:

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- (i) A softened normative approach
 - (ii) Movement towards social technology
 - (iii) Policy orientation
 - (iv) Synchronization, i.e., the traditional breakdown of administrative activity into distinct functional components, such as planning, organizing, staffing, directing, coordinating, reporting and budgeting (POSDCORB)
5. The Honey Report made the following recommendations:
- (a) The establishment of a National Commission on Public Service Education to exert broad leadership in meeting the needs of governments for educated manpower.
 - (b) A substantial fellowship programme for postgraduate students who are preparing for public service at the master's and doctoral levels and for professional degrees.
6. Comparative administrative system is defined as the study of administrative systems in a comparative fashion or the study of public administration in other nations. It may also be defined as the 'quest for patterns and regularities in administrative action and behaviour'.
7. Four characteristics of a developing country are as follows:
- (i) Low per capita Gross National Product (GNP)
 - (ii) Widespread poverty
 - (iii) Wide gap between urban and rural development
 - (iv) Rapid population growth and high dependency-burdens
8. Two characteristics of bureaucracy in developing countries are:
- (i) The public service providing state is large-scale, complex and instrumental, i.e., its mission is understood to be that of carrying out the policies of political decision-making.
 - (ii) The bureaucracy exhibits a sense of professionalization in the sense of identification with the public service as a profession, and in the sense of belonging to a narrow field of professional or technical specialization within the service.
9. Two chief characteristics of development administration are:
- (i) Development administration is grounded in normative concept that development can be planned, directed and controlled, improvement in quality and quantity of societal products is desirable and obstacles to development can be overcome.
 - (ii) Development administration is grounded in reality as it concerns itself with the practical solution of human problems, for example, daily problems of public administration and the real world in which people live.

10. Howard Wriggins, an American theorist, explains the tasks of development administration as follows:
- (i) Provision for the minimum level of essential services
 - (ii) Equitable distribution of wealth and income
 - (iii) Maximum utilization of material and manpower resources

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1.9 QUESTIONS AND EXERCISES

Short-Answer Questions

1. Discuss the nature and scope of public administration.
2. Describe the elements of public administration.
3. Explain the recommendations made by the Honey Report (1967).
4. Discuss the Minnowbrook perspective in turbulent times.
5. Discuss the bureaucratic and political adaptation of development administration.
6. Briefly explain the development ideology.

Long-Answer Questions

1. Discuss the significance of public administration in detail.
2. What is new public administration? Discuss the origin of new public administration.
3. Discuss the Conference on the Theory and Practice of Public Administration (1967).
4. Explain the nature, scope and importance of administration in developing nations.
5. What is development administration? Explain the chief characteristics of development administration.

1.10 FURTHER READING

Bhagwan, Vishnoo, Vidya Bhushan (ed.). 2012. *Public Administration (Reprint)*. S.Chand & Co. LTD. New Delhi.

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UNIT 2 MANAGEMENT, ORGANIZATION AND ADMINISTRATION

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Structure

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- 2.1 Unit Objectives
- 2.2 Theories of Administration
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2.0 INTRODUCTION

In this unit you will learn about the theories of administration and principles of formal organization. Management, its nature, types and values, will also be discussed.

Taylor is called the father of scientific management. His principal concern was that of increasing efficiency in production, not only to lower costs and raise profits but also to make possible increased pay for workers through their higher productivity. He saw productivity as the answer to both higher wages and higher profits. He believed that the application of the scientific method, instead of customs and rule of thumb, could yield this productivity without the expenditure of more human energy or effort.

Henry Fayol is claimed to be the real father of modern management. He wrote a book entitled, *General and Industrial Management*, which mainly covers the aspects of the immutable and repetitive character of the management process and the concept that management can be taught in the classroom or the workplace. He also laid down the principles of management, which he deemed important for any organization.

Taylor and Fayol both realized that working towards the problems of personnel and its management at all levels was the key to industrial success. Both applied scientific methods to the problems they faced while dealing with personnel and

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management. Taylor worked primarily on the operative level moving upwards in the industrial hierarchy, while Fayol concentrated on the managing director level and worked downwards. This shows us the difference in the working of Taylor and Fayol.

The theories of Taylor and Fayol have changed the manner in which leaders manage their organizations all over the world. However, both the theories have been criticized under the guise of not taking the human factor into account.

The classical theory is based on the division of labour. It defines 'modernity' as the increasing specialization of labour. This implies that a central bureaucracy must exist that keeps these functions coordinated and connected through an impersonal chain of command. Therefore, the emphasis in this approach is on both the decentralization of functions and specialties, and the centralization of administrative command to keep the functions working together.

The human relation school takes note of the psychological factors causing a change in the human behaviour in organized groups under a given situation. It is based upon the fact that management involves getting things done through people and therefore management must be centred on interpersonal relations. This approach has been called the human relations, leadership or behavioural science approach. Exponents of this school of thought seek to apply existing and newly developed theories, methods and techniques of the relevant social science to the study of intra and interpersonal relations, which varies from personality dynamics to relations of cultures.

Management is a process that has gained wide acceptance. All organizations, regardless of whether they are involved in business, political, cultural or social process, apply management principles and skills to direct their efforts towards achieving a defined goal.

2.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- Discuss the theories of management
- Describe the principles of formal organization
- Explain management, its nature, types and values

2.2 THEORIES OF ADMINISTRATION

In this section, the theories of administration will be discussed.

2.2.1 Scientific Management Theory

The era of the post-industrial revolution in the 19th century brought with it a complex production process in which labour and capital were combined in increasingly complex ways. This was done to increase the output of the manufacturing process whose demand was increasing by the day.

In such a transitional scenario, the managers were faced with a variety of challenges. Not only did they need to supervise and control the labour force, they also had to have skills in dealing with finance, marketing and production technology. Very few people were found to possess all the skills required to control the decision-making power in the factories. There was a complete absence of standardization in the methods of work.

These challenges caused Taylor to formulate the first systematic theory of organization in the early years of the 20th century. Frederick Winslow Taylor (1856–1915), an engineer by profession, is regarded to be the ‘father of scientific management’. Taylor had concluded that there was great inefficiency in the industries. Inefficiency arose not only amongst the work force but also among the managers. Taylor regarded inefficiency and waste of resources to be a moral problem. He understood the need of a solution for the common worker and wrote,

‘Underworking, that is, deliberately working slowly so as to avoid doing a full day’s work, “soldiering,” as it is called in this country, “hanging it out,” as it is called in England, “ca canae,” as it is called in Scotland, is almost universal in industrial establishments, and prevails also to a large extent in the building trades; and the writer asserts without fear of contradiction that this constitutes the greatest evil with which the working-people of both England and America are now afflicted.’

One of the earliest works of Taylor titled *A Piece Rate System* appeared in 1896. It is regarded to be an outstanding contribution to the system of wage payment. The workers in those times were at the mercy of the entrepreneur or the capitalist. Taylor alleged that there must be some system of payment for the workers as every worker was paid according to his produce. The system was to comprise certain principles, which are as follows:

- Observation and analysis of the work performed by the worker, subject and particular time span
- Different wages for different work done
- Paying men and not the position he held

Another work by Taylor, *Shop Management*, (1903) dealt with the lowest level of organization in the industries. Taylor concerned himself with the basic question of the objectives of management. He felt that the basic objectives were as follows:

- To find the best way of organizing work so as to obtain maximum efficiency from the labour force. This could be possible by paying higher wages to the employees as a means of incentive.
- In order to increase production, the management ought to apply scientific methods of research and production.
- Efficiency could be achieved by the standardization of the methods of work. The workers were required to be trained in the kind of work they performed.
- Collaboration between the management and the workers through the application of scientific methods was very important. Taylor advised that more than half of the labour work should be assumed by the management. The management should undertake the functions for which it is best suited.

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Some other works by him were *The Art of Cutting Metal* (1906) and *The Principles and Methods of Scientific Management* (1911).

Many of Taylor's beliefs had been gained from his observations at the Bethlehem steel company. Taylor argued that economic incentive should be closely tied to output, through the mechanism of the differential piece system. This system stated that if the workers did not produce a fair day's work, they were punished via loss of earnings. On the other hand, if the workers exceeded the production target they were rewarded financially.

Taylor's theory of organization was an implicit social contract theory. Both, the management and workers were assumed to be aiming for the same objective (material reward). Effective management and productive labour would reap higher profits and wages. The concept of management involved a mental revolution for both the management and the workers and the reason for this was the division of labour, according to Taylor. The tasks were to be broken up into components by a central authority in line with the central plan of action.

Therefore, all the principles given by Taylor can be divided into the following four categories:

1. Development of true science of management
2. Scientific selection of workers
3. Friendly cooperation between the workers and the management
4. Equal division of work responsibilities between the management and workers

Four Types of Supervision

Taylor also formulated the concept of 'functional foremanship' in his work published in 1911. He opined that the supervisors and managers must also possess some specific skills and knowledge. Among other qualities, this included basic educational qualifications, specialization, capacity, tact, energy and honesty of purpose. Taylor's theory talked of four types of supervision:

1. Gang boss
2. Repair boss
3. Speed boss
4. Inspector

In the early years of the 20th century, scientific management had a revolutionary impact on administrative thought and practice. The impact was felt mainly in the United States of America. It permeated not only industrial enterprises and business establishments but also government organizations. The popularity and impact of the scientific management movement also gained considerable significance in industrial management in the Soviet Union. Throughout the 1930s and '40s, great efforts were made to increase the productivity and efficiency in the Soviet industries through the appreciation of the principles of scientific management.

Criticism of Taylor's Theory

The scientific management movement aroused much criticism and apprehensions in various quarters. It has been alleged that the movement was mainly concerned with organizational efficiency viewed in purely mechanistic terms. The labour opposition to Taylor's theories led to an investigation by Prof. Robert Honie (on behalf of the *United States Commission*) on industrial relations.

The major criticism given by Honie was that the basic ideals of scientific management and trade unionism were incompatible. Scientific management concerned itself mainly with production, efficiency and managerial problems, without touching on the psychological and emotional problems of workers, the routine and monotony of their work and the uncertainty of employment.

Sam Lewisohn and Oliver Sheldon, both management thinkers, also criticized certain aspects of Taylor's work. Sheldon stressed the human aspects of managerial problems, whereas Lewisohn emphasized the importance of maintenance of good human relations in an organization. The workers accordance to Lewisohn, wanted justice, status and opportunity above everything else and hence simply a rise in wages would not automatically lead to added efficiency. The allegations that Taylor had neglected the human factor in management led to a series of psychological and sociological studies with special reference to this factor.

However, the significance and importance of the theory of scientific management cannot be underestimated by the given criticism. It would be important to remember that in Taylor's work, the human relations aspect of organizations was under emphasized but not entirely neglected. He recognized the importance of mutual collaboration of workers and management as one of the essential principles for raising industrial principles for raising industrial efficiency. The essence of his theory was that speed, cost and quality of goods and services were dependent variables, and that they could be maximized by the adjustment of independent variables such as the division of labour, method of supervision, financial incentives and flow of materials.

Henri Fayol's Theory

Apart from Taylor, another important classical theorist was Henri Fayol (1841–1925) who observed that management was an undertaking common to all human activities. He enunciated certain basic concepts and principles of management and viewed management as a teachable theory dealing with planning, organizing, commanding, coordinating and controlling the work process. Fayol's theory is often considered the first complete theory of management. He was primarily concerned with the job of the chief executive and pinned his faith in the principle of the unity of command.

Fayol's *General and Industrial Administration* is a classic treatise on business management. According to Urwick (an influential business management consultant and thinker in the United Kingdom), this book has had more influence on the ideas of business management in Europe than any other work.

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Fayol divided all the activities of an organization under the following six groups:

- **Technical:** It is related to the production of goods and services.
- **Commercial:** This is concerned with the buying, selling and exchange of goods.
- **Financial:** This involves finance and budgeting work.
- **Security:** This is related to the protection of property and personnel.
- **Accounting:** This is concerned with the functions of guiding, recording and reporting financial information.
- **Administrative/managerial:** These activities are further sub-divided into the following:
 - o **Planning:** This includes both short and long-term plans of action. It often proves to be an asset in the realization of the objectives of the organization.
 - o **Organization:** This involves two aspects—*human organization* and *material management*, which are to be geared together.
 - o **Command:** Not every person can command in an organization. A person who commands is expected to possess certain knowledge and skills of conduct.
 - o **Control:** It includes the process of monitoring whether the designated duties are being fulfilled or not.
 - o **Coordination:** This involves the process of organizing groups to work and produce coordination amongst the team members.

Fayol also discussed the attributes of a good manager which included physical and mental abilities, general education, general knowledge and supervisory skills.

Fayol's Principles of Organization

Fayol propounded fourteen principles of an organization, which are as follows:

- **Division of work or specialization:** The object of specialization is to produce better work with the same effort. It is applicable to technical work as well as to other work which involves a number of people and demands abilities of various types. It results in specialization of functions and powers.
- **Authority and responsibility:** Authority should be equal to responsibility. In other words, the occupant of each post should be given enough authority to carry out all the responsibilities assigned to him. Responsibility is a corollary of authority; it is its natural consequence and essential counterpart.
- **Discipline:** Obedience should be observed in accordance with the standing agreements between the firm and its employees.
- **Unity of command:** For any action, an employee should be answerable to a single boss. If this is violated and there are more than one bosses, the authority is undermined, discipline is in jeopardy, order disturbed and stability threatened under conditions of stress.
- **Unity of direction:** Unity of direction means one plan is to be made for a group of activities having the same objective. Unity of direction (one plan) is

different from unity of command (one employee to have orders from one superior only).

- **Subordination of individual interest to general interest:** In business organizations, the interest of one employee or group of employees should not prevail over that of the organization.
- **Remuneration of personnel:** The remuneration paid for the services rendered should be fair and afford satisfaction to both the employee and the firm.
- **Centralization:** Everything which goes to increase the importance of the subordinates' role is decentralization; everything which goes to reduce it is centralization. Centralization affirms the idea that the organization is administered from the top down. The principle of centralization simply indicates that, ultimate responsibility is vested in the top executive and is not diffused among subordinates in the organization.
- **Scalar chain (hierarchy):** In the process of issuing orders and resolving disputes, all communications must go through official channels. In the scalar principle, the line of authority is the route followed—via every link in the chain—by all communications, which start from or go to the ultimate authority. As a result, the process is not the swiftest. It is disastrously lengthy in large concerns, notably in government organizations. There are many activities whose success depends on speedy execution. Respect for the line of authority must therefore be reconciled with the need for swift action.
- **Order (placement):** It is the rational arrangement and placement of things and people.
- **Equity:** A sense of fair play and justice combined with friendliness should prevail in the entire organization. This is likely to generate loyalty and devotion among the employees.
- **Stability of tenure of personnel:** Fayol advocated that a reasonable amount of time should be allowed to enable personnel to settle down to their jobs and to adapting to the requirements of their work.
- **Initiative:** Initiative means the power to think out a plan and execute it to ensure its success. It augments zeal and energy on the part of employees at all levels of the organizational ladder. Thus, it is a great source of strength for business. However, it must be encouraged only within the limits imposed by respect for authority and discipline.
- **Esprit de corps:** It means harmony or union among the personnel of an organization. It is a great source of strength in an organization. Fayol stated that, for promoting *esprit de corps*, the principle of common law should be observed and the dangers of divide and rule and the abuse of written communication should be avoided.

Both Taylor and Fayol were believed to be the pioneers of the scientific management movement. While Taylor developed principles of business management, Fayol advocated the formal theory of organization which applied mostly to the top

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management level. Fayol's ideas did not meet immediate acceptance by his own colleagues. It seems that Fayol considered only the interests of the management and not of the labour. He also came to be criticized by the labour force just like Taylor.

However, the importance of Fayol's contribution found in the fact that he tried to design a rational theory of management. Moreover, his broader concept of the duties and responsibilities of the manager gives a wider perspective to the study of an organization.

Opposition to scientific management theory

Some of the critics of this approach propose that it ignores the social needs of the worker. The assumption that most people are motivated primarily by economic rewards seems to be too mechanical and physiological and it neglects the organizational and motivational considerations such as job satisfaction and self-actualization.

There has been opposition to scientific management approach since its inception both from employees as well as management. Dr. Mathur has listed some of the areas of this opposition. These are:

1. It promotes individualism, rather than team spirit because of the competitive nature of "more work, more pay."
2. Specialization makes the worker unfit for other types of jobs, and thus he is at the mercy of his employer.
3. It ignores or excludes the average worker, because of tough competition to be more efficient and productive.
4. Specialization makes the work repetitive and monotonous. Workers are merely converted into machines to carry out the set instructions, thus leaving no grounds for initiative and innovation.
5. It puts in the hands of employers an immense mass of information and methods which may be used to the detriment of workers, since all workers are not going to measure up to the set standard.
6. It is anti-democratic in the sense that it separates the manager from the worker, since it gives the management only the right and the prerogative to manage, and the workers have the duty to work. In a truly democratic situation, the workers and the management should work together to achieve the Integrated individual and organizational goals.

Specific application of scientific management approach

This approach generally leads to the following specific applications:

1. Maximum utility of efforts, thus eliminating waste.
2. More emphasis on fitting workers to particular tasks and training them further to best utilize their abilities.
3. Greater specialization of activities, with proper design of jobs, specification of methods and set time and motion standards,

4. Establishment of standards of performances as average output and maximum output per capita.
5. The role of compensation and other incentives for increase in productivity.

Contributions of Gilbreths, Gantt and Emerson

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The contributions of the Gilbreths

Frank Gilbreth (1868–1924) and Lilian Gilbreth (1878–1972) as husband and wife team, contributed extensively towards the concept of scientific management and were primarily responsible for analysis of time and motion study of workers, thus improving upon time and motion elements by eliminating unnecessary motions. They were also responsible for such management tools as the process chart, flow diagrams and merit rating system for employees.

In the area of motion studies, the Gilbreths identified 18 basic hand motions by breaking down the task into, its fundamental elements. They called these elemental motions as “Therbligs” (which is their name spelt backwards). The elements are:

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|-------------------|------------------------|
| 1. Search, | 4. Grasp, |
| 2. Find | 5. Transport loaded, |
| 3. Select, | 6. Position, |
| 7. Assemble, | 13. Transport empty, |
| 8. Use, | 14. Rest, |
| 9. Disassemble, | 15. Unavoidable delay, |
| 10. Inspect, | 16. Avoidable delay, |
| 11. Preposition, | 17. Plan, |
| 12. Release load, | 18. Hold. |

These elements are not necessarily sequential, but they are all essential elements of an activity. This study laid foundations for areas of job simplification, work standards and incentive wage plans. In one applicational study of the work of some brick-layers, this technique, by eliminating the unnecessary motions, tripled their productivity.

Henry L. Gantt (1861-1919)

Henry Gantt worked with Taylor and was responsible for introducing “Task and Bonus Plan” and the Gantt chart. The “Task and Bonus Plan” was aimed at providing extra wages for extra work in addition to a guaranteed minimum wage. Bonuses were also awarded to supervisors who were successful in getting their workers to meet the output goal. The Gantt chart, which was a forerunner of today’s PERT (Program Evaluation and Review Technique) was a chart on which the process of work could be recorded.

Harrington Emerson

Harrington Emerson is known as the high priest of efficiency. He came to fame when he was called as an expert by the Interstate Commerce Commission in 1911

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in a hearing for increase in the railroad freight rate. His startling statement that “railroads could save a million dollars a day” simply by, streamlining their operations and the introduction of more scientific methods, popularized the field of efficiency improvement. His book, “Twelve Principles of Efficiency” published in 1912, contained principles and techniques for optimum productivity achieved in the; most efficient manner.

2.2.2 Classical Theory of Management

There are several theories of organization that help identify important aspects, issues and problems in certain management situations and, as such, try to anticipate relations. However, the evolution of administrative theories has not been a simple process. Ever since the Hawthorne experiments of the late twenties and early thirties of the twentieth century, conducted by Elton Mayo and his colleagues, shattered the implicit faith in the psychological or structural theory of organization, a whole group of conceptual developments bearing on the problem of organization has come to the forefront. Attempts have been made to explain organizational behaviour in terms of political science, economics, sociology, psychology, anthropology, history, mathematics and biology, thus giving rise to theories like behavioural theory, game theory, decision theory, informal theory, group theory, concept of informal organization and so on and so forth. The problem of organization has thus become the focus of several disciplines.

Before proceeding further, it would be pertinent here to explain the meaning of the term *organization*. Organization refers to a plan of action to ensure fulfilment of purpose or purposes, which a group of individuals has set for realization, and towards the attainment of which they are collectively directing their energies. It would be of utmost significance to stress that organization is not merely a structure. In fact, it embraces structure as well as the human beings who run it in order to realize a few preconceived objectives. Organization can also be defined as the systematic bringing together of interdependent parts to form a unified whole through which authority, coordination and control may be exercised to attain a given purpose. As the interdependent parts also comprise people who need direction and motivation, and whose work must be coordinated in order to attain the goals of the enterprise, it can be said that organization is both structure and human beings. To try to deal with organization merely as framework and without considering the people who make it up and those for whom its services are intended would be wholly unrealistic.

The function of organization is to enlarge the resources and opportunities of those for whom it has been established. It influences its members by dividing work among them; formulating standard practices; transmitting decisions downward, upward and crossways; providing a communication system, thereby making known all sorts of information and training them.

The classical theory of organization, also known as the mechanistic theory or the structural theory is the dominant one in the field, and has been enunciated most notably by classical theorists Max Weber Luther Gullick, L. F. Urwick, J. D. Mooney, Reilley, etc. These writers argue that administration is administration regardless of the kind of work being undertaken or the context within which it is performed. They then proceed to identify the important elements in the processes of administration as

well as features common to all administrative structures. This exercise is preparatory to the development of a set of principles of organization. Indeed, the single most distinguishing feature of the classical theory is its concern with the formulation of principles of organization. The classical theorists addressed themselves to the task of discovering the true bases on which division of work in an organization could be carried out and devising effective methods of bringing about coordination in it. They, moreover, laid emphasis on precise definition of tasks and their interrelationship, and advocated the use of authority and a system of checks to exercise control over personnel so that the organizational work gets done.

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Max Weber's Bureaucratic Theory

Max Weber, a German sociologist and his associates examined many different organizations to empirically determine the common structural elements and emphasized those basic aspects that characterize an ideal type of organization. Weber looked for rules and regulations which, when followed, would eliminate managerial inconsistencies that contribute to ineffectiveness. He believed in strict adherence to rules that would make bureaucracy a very efficient form of organization founded on principles of logic, order and legitimate authority. He strongly believed that every deviation from the formal structure interferes with efficient management. According to him:

‘The purely bureaucratic type of administrative organization... is from a purely technical point of view, capable of attaining the highest degree of efficiency... It is superior to any other form in precision, in stability, in the stringency of its discipline and in its reliability. It thus makes possible a particularly high degree of calculability of results for the heads of the organizations, and for those acting in relation to it. It is finally superior, both in intensive efficiency and the scope of its operations and is formally capable of application to all kinds of administrative tasks.’

Weber analysed the formation and administration of enterprises. The main features of this approach are as follows:

- 1. Division of work:** There is division of work on basis of specialization of jobs in bureaucratic organizations. Each employee performs his specialized work in a predictable manner.
- 2. Rules and regulations:** Detailed rules and regulations regarding work behaviour, rights and duties of employee are laid down. Rules are designed to ensure the consistency and predictability in work performance. In addition to it, procedures are laid down for orderly performance of tasks.
- 3. Hierarchy of authority:** Hierarchy in organizations is characterized by downward delegation of authority. Each superior exercises control over his subordinates. The authority flows from the top level to lower levels of management.
- 4. Technical competence:** Selection and promotion of employees are based on the technical competence of employees. For each job, the qualifications are prescribed. Training is also provided to familiarize the employees with the rules and administrative procedures of the organization.

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5. Record keeping: Every decision and action is recorded in its original as well as draft form.

6. Impersonal relations: Superiors are formal in dealings with their subordinates.

Advantages of bureaucracy

1. Specialization: A bureaucratic organization provides the advantages of specialization because every member is assigned a specialized task to perform.

2. Structure: A structure of form is created by specifying the duties and responsibilities and reporting relationships within a command hierarchy. Structure sets the pace and framework for the functioning of the organization.

3. Rationality: A measure of objectivity is ensured by prescribing in advance the criteria for decision-making in routine situations.

4. Predictability: The rules, regulations, specialization, structure and training impart predictability and thereby ensure stability in the organization. Conformity to rules and roles in the structural framework bring about order to cope with complexity.

5. Democracy: Emphasis on qualifications and technical competence make the organization more democratic. Officials are guided by the prescribed rules, policies and practices rather than by patronage or other privileged treatment.

Limitations of bureaucracy

1. Rigidity: Rules and regulations in a bureaucracy are often rigid and inflexible. Rigid compliance with rules and regulations discourages initiative and creativity. It may also provide the cover to avoid responsibility for failures.

2. Goal displacement: Rules framed to achieve organizational objectives at each level become an end in themselves. When individuals at lower levels pursue personal objectives, the overall objectives of the organization may be neglected.

3. Impersonality: A bureaucratic organization stresses a mechanical way of doing things. Organizational rules and regulations are given priority over an individual's needs and emotions.

4. Compartmentalization of activities: Jobs are divided into categories, which restrict people from performing tasks that they are capable of performing. It also encourages preservation of jobs even when they become redundant.

5. Paperwork: Bureaucracy involves excessive paperwork as every decision must be put into writing. All documents have to be maintained in their draft and original forms. This leads to great wastage of time, stationery and space.

6. Empire building: People in bureaucracy tend to use their positions and resources to perpetuate self-interests. Every superior tries to increase the number of his subordinates as if this number is considered a symbol of power and prestige.

7. **Red tape:** Bureaucratic procedures involve inordinate delays and frustration in the performance of tasks.

Despite its drawbacks, bureaucracy has become an integral feature of modern organizations. It is, therefore, necessary to understand it and to overcome its negative aspects through proper reckoning of individual needs and organizational goals.

Luther Gullick and Lyndall Urwick: POSDCORB

One of the significant pioneers in this field was a Japanese philosopher, Luther Gullick. 'Papers on the Science of Administration' (1937), co-authored by Lyndall Urwick, a British theorist, has been regarded as the most comprehensive enunciation of the classical theory. Gullick had wide experience in civil services, military services and industrial management. He belonged to the same school as the administrative theorists—Frederick Taylor, Henri Fayol and Max Weber—who changed the perception of management during the Industrial Revolution. Gullick had an opinion that, problems were always found in the structure whenever an organization malfunctioned.

Gullick's principles of organization

Gullick laid down certain basic principles of organization, listed as follows:

- Division of work/specialization
- Bases of departmental organization
- Coordination through hierarchy
- Deliberate coordination
- Coordination through committees
- Decentralization
- Unity of command
- Staff and line
- Delegation
- Span of control

Let us briefly discuss some of these principles.

Work division/specialization

Gullick asserts: 'Work division is the foundation of organization, indeed, the reason for organization.' The principle of work division has been made as the central tenet of their theory by other classical thinkers also. According to Gullick, work division is essential since men differ in nature, capacity and skill, and gain greatly in dexterity by specialization.

In handing over functions to groups of people, the first principle of classical theorists is homogeneity based on the identity or simplicity of four factors, namely the purpose they serve, the process they use, the persons or things they deal with and the place where they work.

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Departmental organization

Division of labour creates specialists who require coordination. This coordination is made possible by grouping specialists together in departments. It was Gulick and Urwick who first introduced a theory of different departmentalization strategies, which were called *departmentalization by purpose* and *departmentalization by process*. Departmentalization has two basic benefits:

1. By bringing together in a single office a large amount of each kind of work, it facilitates the most effective divisions of work and specialization.
2. It makes possible also the economies of the maximum use of labour saving machinery and mass production.

Coordination

According to Gulick, if sub-division of work is inescapable, coordination becomes mandatory. He says that coordination can be achieved in the following two primary ways:

- **By organization:** Interrelating the sub-division of work by allotting them to persons who are appropriately placed in the structure of authority, so that the work may be coordinated by orders reaching from the top to the bottom of the entire organization.
- **By the dominance of an idea:** Developing intelligent singleness of purpose in the minds of those who are working together so that each worker will voluntarily fit his task into the whole with skill and enthusiasm.

Gulick does not consider these two principles of coordination as mutually exclusive. However, together both are very effective. The development of coordination is greatly influenced by size and time. Thus, he points out that approach to attaining coordination must be different in small and large organizations; in simple and in complex situations; and in stable and changing organizations. Hence, Gulick maintains: Coordination is not something that develops by accident. It must be won by intelligent, vigorous, persistent and organized effort.'

Unity of command

According to Gulick and Urwick, in the government, well-managed administrative units are almost always headed by single administrators. They did not approve the system of boards or commissions. They agreed with Fayol's principle of unity of command, although they knew that rigid adherence to this principle may result in absurdities. They emphasized that a man cannot serve two masters. According to them, if a workman is subjected to order from more than one supervisor, he will be confused, inefficient and irresponsible. On the other hand, a workman subjected to order from only one superior may be methodical, efficient and responsible.

Staff and line

Gulick and Urwick borrowed the principles of staff assistance to the executive and the relations between the line and staff officials from their experience in military

administration. However, no management theory has yet been successful in convincing reasonably the significance of the principle of line and staff in civilian organizations.

According to Gulick, the staff experts need to allocate their time wholly to the knowing, thinking and planning functions. Administrative authority or responsibility must not be given to staff experts. However, they need to be provided with the results by the 'authority of ideas'. Hence, they put emphasis on the necessity of special staff to assist the higher executives. Public officials in their day-to-day work do not find time for reading, thinking and meeting their subordinates. Therefore, they require assistance in their primary tasks of command, control and coordination. General staff should extend such assistance. Hence, the general staff and special staff lighten the administrative responsibilities of the top executive so that he is able to concentrate upon the most important tasks of the organization. Such assistance also enables him to exercise a larger span of control.

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The Span of Control

According to Urwick, 'No supervisor can supervise directly the work of more than five or at the most, six subordinates whose work interlocks.' There are various reasons for the limit of control, such as limits of knowledge, time and energy; and difference in types of works and sizes of organizations. It occurs partly due to the differences in the capacities and work habits of individual executives and partly due to the non-comparable character of work. Thus, the principle of span of control is governed by the elements of diversification of function, time and space. The scientific validity of the principle is restricted by the failure to attach sufficient importance to these variables.

According to Gulick, the chief executive of an organization can deal with a limited number of immediate subordinates. The number of subordinates he can deal with is determined by:

- Nature of work
- Capacity of the executive
- Number of immediate subordinates
- Stability and geographical proximity of organization

Delegation

The principle of delegation emphasizes on the need for administrators to keep the requisite authority with them to act and delegate the rest of it to their subordinates. If there is no such delegation, the subordinates would not be able to discharge their responsibility. According to Urwick, 'Lack of courage to delegate properly and knowledge of how to do it is one of the most general causes of failure in organization.' He was of the opinion that organizations do not function proficiently if executives do not delegate the functions to their subordinates. He also emphasized that the power of executives to delegate responsibility to their subordinates should be absolute. He asserted that executives should be personally accountable for the actions of their subordinates.

POSDCORB

However, Gullick's most important contribution is his description of major managerial techniques summed up in the acronym POSDCORB. In his own words, the elements of POSDCORB are as follows:

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- **Planning**, that is, working out in broad outline the things that need to be done and the methods for doing them to accomplish the purpose set for the enterprise
- **Organizing**, that is, the establishment of the formal structure of authority through which work subdivisions are arranged, defined and coordinated for the defined objective
- **Staffing**, that is, the whole personnel function of bringing in and training the staff and maintaining favourable conditions of work
- **Directing**, that is, the continuous task of making decisions and embodying them in specific and general orders and instructions and serving as the leader of the enterprise
- **Coordinating**, that is, the all important duty of interrelating the various parts of the work
- **Reporting**, that is, keeping those to whom the executive is responsible informed as to what is going on, which thus includes keeping himself and his subordinates informed through records, research and inspection
- **Budgeting**, with all that goes with budgeting in the form of planning, accounting and control

The controlling function comprises coordinating, reporting and budgeting, and hence the controlling function can be broken into these three separate functions. Based upon these seven functions, Luther Gulick coined the word POSDCORB, which generally represents the initials of these seven functions. All the primary functions are explained and discussed fully in the following pages and only a brief introduction to these functions is given here.

Planning

Planning is future-oriented and determines an organization's direction. It is a rational and systematic way of making decisions today that will affect the future of the company. It is a kind of organized foresight as well as corrective hindsight. It involves predicting the future as well as attempting to control the events. It involves the ability to foresee the effects of current actions in the long run. Peter Drucker has defined planning as follows:

“Planning is the continuous process of making present entrepreneurial decisions systematically and with best possible knowledge of their futurity, organizing systematically the efforts needed to carry out these decisions and measuring the results of these decisions against the expectations through organized and systematic feedback”. An effective planning programme incorporates the effect of both external as well as internal factors. The external factors are shortages of resources; both capital and material, general economic trends as far as interest rates and inflation are concerned, dynamic technological advancements, increased governmental

regulations regarding community interests, unstable international political environments, etc. The internal factors that affect planning are limited growth opportunities due to saturation requiring diversification, changing patterns of work force, complex organizational structures, decentralisation etc.

Organizing

Organizing requires a formal structure of authority and the direction and flow of such authority through which work sub-divisions are defined, arranged and coordinated so that each part relates to the other in a united and coherent manner so as to attain the prescribed objectives. Thus the function of organizing involves the determination of activities that need to be done in order to reach the company goals, assigning these activities to the proper personnel, and delegating the necessary authority to carry out these activities in a coordinated and cohesive manner. It follows, therefore, that the function of organizing is concerned with:

1. Identifying the tasks that must be performed and grouping them whenever necessary
2. Assigning these tasks to the personnel while defining their authority and responsibility
3. Delegating this authority to the employees
4. Establishing a relationship between authority and responsibility
5. Coordinating the activities

Staffing

Staffing is the function of hiring and retaining a suitable workforce for the enterprise both at managerial as well as non-managerial levels. It involves the process of recruiting, training, developing, compensating and evaluating employees, and maintaining this work force with proper incentives and motivations. Since the human element is vital factor in the process of management, it is important to recruit the right personnel. This function becomes even more critical since people differ in their intelligence, knowledge, skills, experience, physical condition, age and attitudes, and this complicates the function. Hence, management must understand, in addition to the technical and operational competence, the sociological and psychological structure of the workforce.

Directing

Directing is concerned with leadership, communication, motivation and supervision so that the employees perform their activities in the most efficient manner possible, in order to achieve the desired goals. The leadership element involves issuing of instructions and guiding the subordinates about procedures and methods. Communication must be open so that the information can be passed on to the subordinates and their feedback received in an easy manner. Motivation is very important, since highly motivated people perform excellently with less direction from superiors. Supervising subordinates would give continuous progress reports as well as assure the superiors that the directions are being properly carried out.

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Controlling

The function of control consists of those activities that are undertaken to ensure that the events do not deviate from the pre-arranged plans. The activities consist of establishing standards for work performance, measuring performance and comparing it to these set standards and taking corrective actions as and when needed, to correct any deviations. All these five functions of management are closely interrelated. However, these functions are highly indistinguishable and virtually unrecognisable on the job. It is necessary, though, to put each function separately into focus and deal with it.

The 4Ps of Gullick are the basis on which work is divided in an organization. These are purpose, process, persons and place.

- **Purpose:** It refers to objective.
- **Process:** It implies procedure and skills.
- **Persons:** They are the clientele.
- **Place:** It refers to the to the area of specialization.

We have already seen that these four are the bases of departmental organization. Not all these are mutually exclusive; all of them exist together. (In India, all four have been adopted for creating departments.)

Towards the end of the nineteenth century, bureaucracy was as mismanaged as the industries. This situation prevailed everywhere. As such, all the organizational theorists seemed to talk of a universal set of principles, as three goals were common to all the organizations; efficiency, economy and increased productivity. By 1960s, even Gullick began talking of human factor in administration. He also spoke of the time factor in administration and wanted it to be considered as input, output and a management policy. The time factor ought not to be ignored. The greatest test of an organization is as to how it copes with the changing times. Gullick, however, warned against any ill timed reforms and changes.

Urwick's principles of organization

Urwick, like Gullick, has also laid down certain principles for organization, listed as follows:

- **Principle of objectives:** The organization should be an expression of a purpose.
- **Principle of correspondence:** Authority and responsibility must be coequal and coterminous at all levels.
- **Principle of responsibility:** Responsibility of higher authorities for the work of subordinates is absolute.
- **Scalar principle:** A pyramid type of structure is built in an organization.
- **Span of control:** A person cannot supervise directly the work of more than five or at the most six subordinates whose work interlocks.
- **Principle of specialization:** One's work should be limited to a single function.

- **Principle of coordination:** It refers to harmonious functioning of all parts of an organization.
- **Principle of definition:** A clear description of every duty, authority and responsibility is essential.

Mooney and Reiley: Scalar Principle

Apart from Luther Gullick and Lyndall Urwick, an important contribution made to the classical theory was by Mooney. Mooney and Reiley were American theorists whose *Onward Industry* is a pioneering work on the development of classical organization theory and is considered as the first coherent approach to find organization universals. Mooney and Reiley enunciated the following four principles of organization:

1. The coordinative principle
2. The scalar (or hierarchical) principle
3. The functional (division of labour) principle
4. Staff-line principle

Mooney argued that all organizational structures are based on a system of superior–subordinate relationships arranged in a hierarchical order. He termed it as *scalar principle*. Accordingly, in every organization, there is an authority and corresponding responsibility. The scalar chain constitutes the universal process of coordination, through which the supreme coordinating authority becomes effective throughout the entire structure.

Principal Features of the Classical Organization Theory

The classical organization theory is marked by the following four features:

1. Impersonalization
2. Specialization
3. Efficiency
4. Hierarchy

According to this theory, organization is a formal structure of plan, amenable to creation in accordance with clearly understood principles. This concept stems from the following two beliefs:

1. There is a body of principles in accordance with which organizational plan can be spelled out to fit in to the requirements of the chosen purpose or activity.
2. The requisite personnel must meet the requirements of this preconceived plan.

It may thus be seen that this theory considers organization as a machine, and the human beings who run it as mere cogs. However, an important contribution of the classical theorists, in general, is their attempt to find certain universal principles of organization. It instilled a sense of purpose and increased coordination of

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administrative operations and, by specification of roles, brought more predictability and stability in organizational behaviour.

Criticism of the Classical Theory

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The classical theorists are criticized on the ground that none of the *principle* has been proved to be either empirically valid in organizational functioning or universally applicable; that is why, they have been dubbed as proverbs. Another criticism is the classicists' lack of behavioural analysis and neglect of the human factor in administration. Their methods tend to be prescriptive rather than descriptive. The theorists are also accused of a pro-management bias with over-emphasis on the formal structure rather than the informal aspects of organizational dynamics. The theory is marked by an undue concern for the problems of the structure in relation to roles. Stress is laid not on human beings (role occupants) as such, but on the role as it relates to other roles in the broader context of organizational goals.

The theory, however, is atomistic and voluntaristic in the sense that it fails to view individuals from an integrated perspective, i.e., it ignores the social aspect of man and the influence of the social environment on his work. The classical theory treats organization as a closed system, completely unconnected with, or uninfluenced by the external environment. Its obsession with the normative aspect of the functioning of organization leads to its neglect of the study of actual and informal behavioural patterns in the formal organizational structure.

2.2.3 Human Relations Theory

The essence of the human relations theory find in its primary emphasis on human beings, psychological motivations and informal group behaviour in contradistinction to the structuralist's exclusive concern for principles of organization. This theory or approach focuses on management as a web of interpersonal relationships. It lays greater emphasis on the behaviour of role occupants in an organizations than on the formal structure of the organization.

One of the great pioneers of this theory was Elton Mayo, who made the following two significant contributions to the theory of organization:

- A challenge to the engineering approach to motivation
- Attack on purely structural hierarchical approach to organization

Elton Mayo, Roethlisberger and other behaviourists were conscious that in an organization made up of human beings, there are a great number of variable that an attempt to alter any one of them is likely to start a sort of chain reaction. The people who make up an organization are motivated by many forces besides those taken into account by the classicists, and may be seeking goals quite different from those assigned to them by the organization manuals. The scholars of this school highlight the individual as a socio-psychological being and are more concerned with his motivations. The underlying emphasis is that the solution of the problems of management can be found in the realm of social psychology.

The greatest single influence which made the classical or the mechanistic theory or organization fall into disfavour came from the Hawthorne experiments,

which were carried out in the USA by Elton Mayo and his colleagues of the Harvard Business School in the early 1920s and 1930s. These experiments were carried out at the Western Electric Company (owned by the Bell Telephone Company) at Hawthorne (near Chicago). The findings were first published in the *Management and the Worker* (F. J. Roethlisburger and William J. Dickson) in 1939. The purpose of these experiments was to find out the behavioural attitudes of the group of employees, how group behaviour was different from individual behaviour and in different conditions and whether improved working conditions could induce productivity. Initially, they found that improved working conditions in no way helped increase productivity. But improved working conditions were result of improved human relations.

Over the course of five years, Mayo's team changed the female worker's working conditions and then analysed how the working conditions affected the workers morale and productivity. The changes in working conditions involved changes in working hours, rest breaks, lighting, humidity and temperature. The changes were explained to the workers before implementation.

At the end of the five-year period, the female worker's working conditions, reverted back to the conditions prior to the experiment began. Suddenly, the workers morale and productivity rose to levels higher than before and during the experiments.

The combination of results during and after the experiment (i.e. the increase in the workers productivity when they were returned to their original working conditions) resulted in Mayo to conclude that workers were motivated by psychological conditions more than physical working condition. He also concluded that workers were motivated by more than self-interest, and instead the following applied:

- There is an unrecorded understanding between the worker and employer as regards what is expected from them; Mayo named this the psychological contract.
- A worker's motivation can be enhanced by showing an interest in them. Mayo classified studying the workers (through the experiments) as showing an interest in the workers.
- Work is a group activity; teamwork can increase a worker's motivation as it permits people to form strong working relationships and increases trust between the workers. The employer creates work groups formally but they also occur informally. Both informal and formal groups should be employed to increase productivity as informal groups influence the worker's habits and attitudes.
- Workers are motivated by the social aspect of work, as demonstrated by the female workers socialising during and outside work and the ensuing increase in motivation.
- Workers are motivated by recognition, security and a sense of belonging.
- The communication between workers and management persuades workers' morale and productivity. Workers are motivated through a good working relationship with management.

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Relay Assembly Test Room Experiment

This experiment continued for almost five years. Several changes were made in the organizational situations, and these were noted and recorded. They were in respect to the working conditions, special group payments and the facilities to the employees. The facilities initially given to the employees were small but their impact was felt.

These included:

- Rest pauses at certain intervals
- Refreshments (managements to bear the cost)
- Short hours of work
- Communications between the employees and the management
- Appointment of a research term analyses the changes

The experiment revealed the importance of better social organization, informal work system and the treatment of the supervisors towards their employees.

Survey of Human Attitudes and Sentiments

This was quite a gigantic task. A special survey of the workers was carried out between 1928–31 and about 21,126 workers were interviewed. It was quite a big task, as the results of the interviews had to be tabulated both physically and mentally.

The workers were asked to express freely and frankly their likes and dislikes of the management, their working conditions, personal views and reactions to the various policies of the management. The workers at first were hesitant in opening up because of the fear of being victimized by the management. However, gradually, they consented after being convinced by the researchers that this would help improve their working conditions. Interviews continued for about 5 years. Not many changes were made in the working conditions, although there were changes in productivity and output as the worker now felt enlightened and hoped to deliver his voice to the management. The research team realized the manifest and latent complaints. Workers faced personal problems, which they seem to carry to their jobs. This, Mayo referred to as the Pessimistic Reverses of Employees.

However, the results discovered by Mayo were as follows:

- The workers had collective views as regard to their wages. They seem to feel satisfied with the kind of communication the management had given them
- There was also a change in the attitude of the experiences. Earlier, they seemed to have adequate control over the workers. However, the experiments helped report the matter to the management.
- To the research team, the experiment proved that a new scheme had been acquired in terms of periodical notifications both, for the workers and supervisors.

Experiment of Social Organization or Bank Wiring Experiment

The research team had a specific objective. They wanted to know about the group behaviour of the workers, which depended on situation, objectives and organization of the group. This led to the concept of informal organization.

The researchers choose three different groups, which were concerned with soldering, fixing the terminals and finishing the wiring. There was a particular assumption that the work of these groups was interrelated in such a way that it resulted in the work done by all three, i.e., production would happen only if the three groups coordinated with each other.

All of these groups came to acquire informal organization with informal leaders. The leader monitored the activities of the group, which he led. An informal agreement was held within the groups themselves without any intervention on the part of the management. This group relationship emerged as a highly integrated system, and a code of conduct came into existence amongst the workers themselves.

Thus, the experiment asserted that defects arise due to conflicts between the formal and informal goals of the organization.

Absenteeism in Industries

This last experiment was more or less carried out for finding the solution to a problem faced by Elton Mayo in the late 1930s with regard to absenteeism in the industries. He was confronted with the problem of foundry shops at the beginning of the World War II in three industrial establishments. In two of them, there was a big turnover of employee's with 70 per cent of the employees going away. The 3rd industry did not face such an acute problem. Thus, the management of the two sick industries, and the third too, invited Mayo. He observed that the third industry had the group wage scheme introduced by the management. In this scheme, the employees earned for what they produced as a group. It shared an informal group relationship. This scheme was, however, not prevalent in the other two industries.

Mayo opined that group solidarity had to be concentrated to reduce absenteeism, and this helped him solve the problem. He also insisted on informal group relationship. He further asserted that workers be treated as human beings and not as machines. Development of human relations in the industry was the primary concern.

However, the early theories of Mayo, Roethlisberger and Dickson were criticized for underestimating the scope of the worker-management conflict or even labour unrest. They were termed 'anti-union' and their theories were allegedly misused by the managers to exploit the working class. As a result, the later human relation theorists such as Chris Argyris and Bennis stressed upon the significance of 'fusion' approach, where the individual worker in an organization is considered as important as the organization itself. It is the goal of every management to strike a balance between the workers' needs and those of the organization. Yet, despite criticisms, one cannot deny that the 'Human Relation School' was a new thinking and approach to organization.

Theories of Barnard, Maslow, Douglas and Bennis

Besides Mayo's Hawthorne experiments, Chester Barnard's cooperative system, Abraham Maslow's hierarchy of needs and Douglas McGregor's Theory X–Theory Y were other intellectual advancements in the human relation approach.

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Let us briefly discuss these theories.

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Chester Barnard's Cooperative System

Chester Irving Barnard was an American business executive, public administrator, and the author of pioneering work in management theory and organizational studies. Barnard looked at organizations as systems of cooperation of human activity, and noted that they are typically short-lived. It is rare for a firm to last more than a century. According to Barnard, organizations are not long-lived because they do not meet the two criteria necessary for survival: effectiveness and efficiency. Barnard's classic 1938 book *Functions of the Executive* discusses, as the title suggests, the functions of the executive, but not from a merely intuitive point of view, but instead deriving them from his conception of cooperative systems.

Barnard summarized the functions of the executive as follows:

- Establishing and maintaining a system of communication;
- Securing essential services from other members;
- Formulating organizational purposes and objectives.

Abraham Maslow's Hierarchy of Needs

Maslow's 'needs hierarchy theory' is probably the most widely used theory of motivation in organizations. Maslow suggested that people have a complex set of exceptionally strong needs and the behaviour of individuals at a particular moment is usually determined by their strongest need. He developed his model of human motivation in 1943, based upon his own clinical experience and formulated his theory of hierarchical needs by asking the same question, 'What is it that makes people behave the way they do?' and made a list of answers from which he developed a pattern. His theory is based upon two assumptions. First that human beings have many needs that are different in nature ranging from the biological needs at the lower level that is the level of survival, to psychological needs at the upper extreme that is the level of growth. Second that these needs occur in an order of hierarchy so that lower level needs must be satisfied before higher level needs arise or become motivators.

This model of hierarchical needs explains human behaviour in a more dynamic and realistic manner and is primarily based upon people's inner states as a basis for motivation and the environmental conditions do not play any significant role. Maslow postulates five basic needs arranged in successive levels. These needs continue to change resulting in change in goals and activities. These five needs are arranged in the form as shown in Figure 2.1. The first three levels of needs at the bottom are known as 'deficiency' needs and they must be satisfied in order to ensure the individual's very existence and security and make him fundamentally comfortable. The top two sets of needs are termed 'growth' needs because they are concerned with personal growth, development and realization of one's potential.

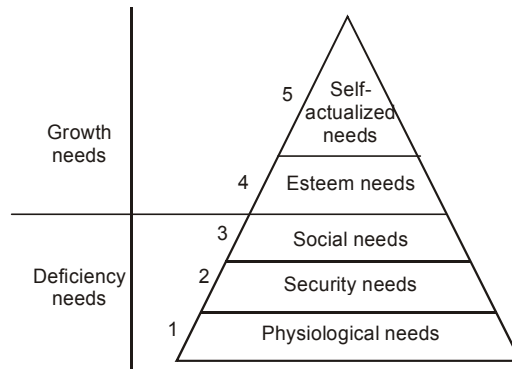


Fig. 2.1 Maslow's Hierarchy of Needs

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McGregor's Theory X and Theory Y

Douglas McGregor (1906–64) was a professor of industrial management at Massachusetts Institute of Technology (MIT) for most part of his career. His contribution to management thought lies in his proposal that a manager's assumptions about the role of employees determine his behaviour towards them.

Theory X

According to him, the classical organization—with its highly specialized jobs, centralized decision-making and communication from top downwards through the chain of command—was not just a product of the need for productivity and efficiency, but instead it was a reflection of certain basic managerial assumptions about human nature. These assumptions, that McGregor somewhat arbitrarily classified were designated as Theory X. Theory X identified the classical approach to management based upon the ideas generated in the late 1800s and early 1900s, and was primarily based upon the assumption about economic rationality of all employees. This evolved around the classical assumption of Adam Smith that people are motivated by economic incentives and they will rationally consider opportunities that provide for them the greatest economic gain. To the classical thinkers, an efficiently designed job, efficiency centred organization and proper monetary incentives to workers were the proper tools of motivation.

Theory X assumes the following:

1. Most people dislike work and avoid it whenever possible.
2. They need to be directed, controlled and threatened with punishment in order to move them to work and achieve organizational goals.
3. An average person is lazy, shuns responsibility, prefers to be directed, has little ambition and is only concerned with his own security.
4. Most people avoid leading and want to be led and supervised. They are unwilling to accept responsibility.

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McGregor believed that managers who hold Theory X assumptions are likely to treat workers accordingly. These managers practice an autocratic management style and may use the threat of punishment to induce employee productivity. The communication is primarily directed downwards and the environment is characterized by minimal manager-employee interaction.

Theory Y

In contrast, McGregor's Theory Y emphasizes management through employee input and delegation of authority. According to Theory Y, managers make the following assumptions.

Theory Y assumes the following:

1. Work is natural to most people and they enjoy the physical and mental effort involved in working, similar to rest or play.
2. Commitment to goals and objectives of the organization is also a natural state of behaviour for most individuals.
3. They will exercise self direction and self control in pursuit and achievement of organizational goals.
4. Commitment to goals and objectives is a function of rewards available, especially the rewards of appreciation and recognition.
5. Most people have the capacity for innovation and creativity for solving organizational problems.
6. Many individuals seek leadership roles in preference to the security of being led.

Managers who hold Theory Y assumptions treat their workers as responsible persons and give them more latitude in performing their tasks. Communication is multidimensional and managers interact frequently with employees. These managers encourage innovation and creativity, minimize the use of supervision and controls and redesign the work to make it more interesting and satisfying with regard to higher level needs of workers such as self-esteem and self-actualization.

CHECK YOUR PROGRESS

1. Name one of the earliest works of Taylor that appeared in 1896.
2. Taylor's theory talks about four types of supervision. Name the four types of supervision.
3. Who is Henri Fayol?
4. Write down any two features of Max Weber's Bureaucratic Theory.

2.3 PRINCIPLES OF FORMAL ORGANIZATION: HIERARCHY, SPAN OF CONTROL, UNITY OF COMMAND

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Every organization has certain objectives and goals to achieve and is structured on the basis of certain principles with a view to achieving these objectives. These principles are, therefore, known as the principles of organization, which are generally followed by every organization for the achievement of its ends. According to Avery Raube, certain principles of a good organization are as follows:

- There must be clear lines of authority running from the top to the bottom of the organization. This is known as the 'hierarchy' or the 'scalar principle'.
- No one in the organization should report to more than one line supervisor. Everyone in the organization should know to whom they report, and who reports to them. This is the principle of 'unity of command'.
- The authority and responsibility of each supervisor should be clearly defined in writing. This enables the supervisor to know what is expected of him and the limits of his authority.
- Accountability of higher authority for the acts of its subordinates is absolute. It means that executives cannot disassociate themselves from the acts of their subordinates. They are equally responsible for action as well as a lack of it.
- Authority should be delegated as far down the line as possible. The current trend toward decentralization explains this principle. This enables the members of top corporate management to devote more time to overall thinking and planning.
- The number of levels of authority should be kept at a minimum. The greater the number of levels, the longer is the chain of command, and it takes greater time for instructions to trickle down and for information to trickle up and down within the organization.
- The work of every person in the organization should be confined as far as possible to the performance of a single leading function. This is the principle of specialization and is concerned with delegation of authority horizontally.
- Whenever possible, line functions should be separated from staff functions, and adequate emphasis should be placed on the important staff activities.
- There is a limit to the number of positions that can be coordinated by a single executive. This is the principle of span of control.
- The organization should be flexible, so that it can be adjusted to the changing conditions.

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Principles of Hierarchy

The literal meaning of hierarchy is the rule or control of the higher over the lower. In every large scale organization, there are few who command and there are others who are supposed to follow instructions or commands. This results in the creation of superior-subordinate relationships through a number of levels of responsibility reaching from the top down to the bottom of an organization. A pyramidal type of structure is thus built up which Mooney and Reiley call the 'scalar process'.

In an organization, scalar means the grading of duties according to degrees of authority and corresponding responsibility. According to Mooney, this scale or the scalar chain, as he calls it, is a universal phenomenon. Wherever you find an organization, even of two people related as superior and subordinate, you have the scalar principle.

The basic features of a hierarchical structure are as follows:

- A person will have only one immediate superior from whom he will receive orders.
- A person will not receive orders from a person of lower status.
- No intermediate level shall be skipped over in the dealings of the top with those at the lower level or vice-versa
- A person who is given responsibility for a task will have authority commensurate with his responsibility.

From the above features, it follows that in the scalar system, authority, command and control descend from the top down to the bottom step by step. For example, the secretary of department will deal with the joint secretary who, in turn, shall deal with the deputy secretary, who further shall deal with the under secretary. The under secretary shall further deal with the section officer who, in turn, shall deal with assistants, clerks, etc. Similarly, the line of upward communication shall be exactly the same when section officer deals with his higher officers.

Merits of the Scalar Principle

The scalar system is almost indispensable for a very large-scale organization. Some of its merits are as follows:

- It binds together the various units and divisions of an organization into an integrated whole.
- It enables us to fix up responsibility at each level and at each post in an organization.
- It serves as a channel of communication, both upwards and downwards. It makes clear to every official about the people he has to deal with.
- It simplifies the procedure of file movements.
- It helps to decentralize decision-making and prevents congestion of business at the top.

In the words of L.D. White, 'It is the channel of command, of communication, downwards and upwards, along with flow information, advice, specific instructions,

warning and commendations. It is the channel for the delegation of authority. It establishes a sequence of related centres for decision-making and thus prevents congestion in the dispatch of business by closing out much of it in lower levels.' In the bureaucratic model of Max Weber also, the organization of offices follows the principle of hierarchy, i.e., 'each lower office is under the control and supervision of a higher one' and 'the whole administrative staff under the supreme authority' are organized in a clearly defined hierarchy of offices.

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Demerits of the Scalar System

The following are the demerits of the scalar system:

- Its main demerit is that it makes the administrative decision-making a dilatory process. A file must pass through proper channels, howsoever urgent the matter may be and howsoever ignorant intermediate officials may be about that matter.
- In order to do away with this defect, the Government of India started 'file-jumping experiment' to skip over the intermediate levels in the hierarchy and to make files reach directly to the decision-making authority.
- It does not contribute to the reposition of mutual trust, either in the inter-organization relations, or in the inter-personal relations in the administration. This might even promote a caste system in the bureaucratic set-up.

Unity of Command

Unity of command means that each individual employee shall take orders from only one 'boss', and shall receive orders only from this superior. If he gets orders from more than one officer, it may become difficult for him to discharge his duties. He will be faced with a very awkward position if he receives conflicting orders from his superiors. The superiors too can be put to hardship, because he can easily play off one superior against the other. All this may result in confusion and chaos in the administration. Responsibility can be fixed up only if we know where the authority rests, and this is not possible if the authority stands divided.

On theoretical grounds, the principle of unity of command seems unassailable but, in practice, you find significant exceptions to this principle. It is usually seen in an individual employee, particularly in the professional or technical side. For example, administratively, a doctor employed in a local body is under the administrative control of the chairman of the local body but professionally, he is under the state director of public health. Similar is the case in regard to all the organizations employing technical personnel. In our country where all the top posts are held by the non-technical administrators belonging to the administrative services, however technical nature of the departments be under them, the duality of command or control is clearly visible.

F.W. Taylor, the father of the unity of command, substituted it by functional direction and supervision. He believed that each individual worker would benefit and his efficiency shall increase if he gets specialized and expert supervision in respect of each function that he performs. According to his scheme of things, he recommended eight foremen or supervisors for each individual worker, whom he called the following:

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- (i) The gang boss
- (ii) The speed boss
- (iii) The inspector
- (iv) Repair boss
- (v) The order of work and route clerk
- (vi) The instruction card clerk
- (vii) The time and cost clerk
- (viii) The shop disciplinarian

The first four supervisors help in their own particular line or function, and the other four supervisors would operate from the administrative block issuing orders and instructions in writing. Taylor advocated this set up for the industry, but it has made its way in the public administration also. This is on the account of the fact that the governments of today are taking more and more economic and technical functions. The technical supervision by different technical experts is growing side by side with the general administrative supervision. It should not, however, be construed that the principle of unity of command is not operative in public administration. The principle of unity of command is not violated if an employee receives orders from two supervisors in respect of different matters or aspects of matters under his charge. It is broken only if he gets orders from two different sources regarding one and the same matter. Even in the technical departments, the last word lies with the administrative chief who has the power and the authority to overrule the technical experts.

Span of Control

By span of control, you mean the number of subordinates which an officer can effectively supervise. The problem of span of control is a natural outflow of the principle of scalar system. Scalar organization involves a number of tiers or steps one above the other, each step being headed by a single person. Now the question arises as to how many persons should work under his control and supervision at that particular level. This problem of fixing the number of subordinates is a problem of 'span of control', and is related to the psychological problem of 'span of attention'.

It is well known that no one can attend to more than a certain number of things or a certain number of persons. You can say that our 'span of attention' is limited, partly because of the limits of knowledge and partly due to the limits of time and energy. There are divergent opinions of the writers on the administration about the exact limit of the span of control. Sir Ian Hamilton fixed the limit at three to six; Urwick at five to six at higher levels and eight to twelve at lower levels. Graicunas felt that while the number of individual subordinate's increases by arithmetical progression, the resultant increase in network of relationships is by geometrical progression and this increase complicates the problem of span of control. According to Sexton, the decisions regarding an effective ratio of subordinates to supervisor depends on the following factors:

- Bottlenecking
- The psychological impact of close supervision
- Communication patterns
- The automation and the extent of interdependence

However, the following factors are determinants of the degree of span of control:

- **Nature of work:** Where the nature of work is of a routine, repetitive, measurable and homogenous character, the span of control is more than when the work is of a heterogeneous character. For example, it is easier to supervise a large number of typists because of the measurable nature of their work.
- **Leadership:** The span of control increases or decreases depending upon the qualities of the supervisor. If he is weak and lazy, he may not be in a position to supervise even a few persons effectively. It may also be pointed out that if subordinates are untrained and incompetent, they are liable to make mistakes, and hence, need closer supervision.
- **Age of agency:** Supervision is easier and the span of control increases if the organization has been long in existence. In the old established organizations, precedents take firm roots and the work goes on smoothly. But in newer organizations, new problems constantly arise which very often demand referring to the superiors.
- **Location of the organizational units:** Supervision becomes easier when the subordinates work under the same roof where the supervisor sits. If they work in different rooms or at a distance from the supervisor, supervision becomes difficult because they escape his penetrating eye.

Thus, it is clear that the span of control is determined by various factors.

Authority

Authority is defined by Fayol as ‘the rights to give orders and the power to exact obedience’. In the view of Allen, Authority is ‘the sum of the powers and rights entrusted to make possible the performance of the work delegated’. But authority cannot be understood simply in terms of powers and rights. The concept of acceptance and obedience related to authority is as important as power and right. Authority unless accepted and obeyed by others becomes meaningless. The primary element of authority is that it should be accepted by those on which it is exercised. The obedience of authority is, thus, a must for the smooth functioning of an organization. But the problem arises in a situation where commands conflict with the conscience of an individual. The conservative philosophers argue that even when the act prescribed by an authority is an evil one, it is better to carry out the act than to wrench at the structure of authority. On the other hand, the humanists believe that the moral judgments of the individual must override the authority when the two are in conflict.

In practice, there are many factors that influence an individual’s response to authority, and thus, the response may vary from one situation to another. Much depends upon the style and vigour of the person who exercises the authority in

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which he can generate the willingness of the other to obey and accept his commands for the fulfilment of the organizational objectives.

Sources of Authority

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Following are the various sources of authority:

- The primary source of the authority is the constitution or the law of the country, which confers on some people supreme authority to take decisions and exercise command and powers over their subordinates. Therefore, all the persons who are subject to authority are bound by law to obey the commands of their superiors, and non-obedience of authority may even be penalized.
- Another source of authority is the status of the person. In an organizational structure based on hierarchy, the man at the top gets authority due to his higher status or position in the whole set-up. His position compels others to obey his commands and orders.
- Thirdly, the most important source of authority is the informal authority, which is conferred on a person by the human beings working in the organization.

Kinds of Authority

The following types of authority exist within an organization:

- **Line authority:** It is the basic and fundamental authority in an organization, and refers to the ultimate authority to command, act or decide in matters affecting others.
- **Staff authority:** It is the authority exercised by the advisory and consultative agencies, called the staff agencies. This authority is limited in scope, as it does not exercise the right to command. It is subordinate to the line authority and its purpose is to facilitate the activities being directed and controlled by the line organizations.
- **Functional authority:** It refers to the authority exercised by specialists in an organization. They exercise limited rights to command in matters pertaining to that function or the specialized area under them.
- **Committees and authority:** The committees appointed for certain special purposes such as the investigating plan, or carrying out research are delegated some limited form of authority. They have no power of decision, and generally, do not command authority.

The type of authority to be selected by the organization executive depends upon the different situations and problems of particular organizations. Generally, a combination of different types is the best choice for the management.

Authority

The concept of the authority and responsibility are closely related to each other. For the efficient working of an organization, authority must be commensurate with responsibility, i.e., the employee must have sufficient authority to fulfil his responsibilities. Equal authority and responsibility is a time honoured principle. It

means that if managers are charged with the responsibility of accomplishing a given task, they must be given the commensurate authority to carry it out. According to Urwick, holding a group or individual accountable for activities of any kind without assigning to them the necessary authority to discharge the responsibility is manifestly both unsatisfactory and inequitable.

Coordination

No organization can achieve the desired objective without coordination. It is the first principle of management to ensure that the organization works well, that no organizational unit repeats what another does, that no employee works at cross-purposes, and that there is no conflict among various units inter se. This is technically known as 'coordination'.

Definition of coordination

Coordination has both negative and positive connotations. Negatively, coordination means the removal of conflicts and the overlapping in administration; positively, it means to secure cooperation and teamwork among the numerous employees of an organization.

Newman defines coordination as 'the orderly synchronization of the efforts to provide the proper amount, timing and directing of the execution resulting in harmonious and unified actions to a stated objective'. According to Terry, 'coordination is the adjustment of the parts of each other and of the movement and operation of parts in time so that each can make its maximum contribution to the product of the whole'. In the words of L.D. White, 'Coordination is a process causing disjunctive elements to a concentration on a complex of forces and influence, which cause the mutually independent elements to act together.' Seckler Hudson views coordination as 'the all important duty of inter-relating the parts of the work'. According to Mooney, 'Coordination is the first principle of organization and includes within itself all other principles which are subordinate to it and through which it operates.'

In sum, coordination means making all parts of an organization work harmoniously, without conflicts and without cross-purposes, to achieve the defined goal. It may however, be noted that coordination is a means and not an end in itself. In the words of Newman, 'It is not a separate activity but a condition that should permeate all phases of administration.'

Need for Coordination

Coordination is needed not only to secure the work and cooperation, but also to prevent conflicts that may arise in the working of an organization due to the following reasons:

- Ignorance of the employees or units of each other's activities
- A tendency among men in charge of particular activities to regard their own deal as all important, unmindful of the needs of others and make encroachment on the latter's sphere of activities

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- A growing tendency towards empire-building or greed for power among different units of an organization

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Types of Coordination

Coordination can be of the following types:

- **Internal or functional:** It is concerned with the coordination of the activities of the individuals working in an organization
- **External or structural:** It is concerned with coordinating the activities of structural units, which is concerned with coordinating the activities of different organizational units.

Both types of coordination are affected horizontally and perpendicularly. Horizontally, coordination establishes inter-relations between one section and another, between one branch and another, between one division and another, and between one department and another. Perpendicularly, coordination is established between one employee and his officer, between officer and his next superior and so on, between one section and a branch, and between a branch and a division and so on.

Methods of Coordination

Coordination at the organization levels can be achieved through several devices. Some of them are as follows:

- The establishment of a special unit for coordination works commonly known as 'coordination' or 'establishment' section or unit
- Through standardization of procedures and methods
- Through departmental meetings and conferences
- Through organization and methods staff

Besides the above bodies, certain other institutions and boards like the University Grants Commission, the Inter-University Boards, the Association of Indian Universities, the Indian Historical Records Commission, etc., are also doing coordination work.

How to Achieve Effective Coordination

McFarland suggests four ways of achieving effective coordination. These are as follows:

1. **Clarifying authority and responsibility:** This will reduce overlapping and duplication of work.
2. **Checking and observation:** Records and reports help executives to detect the spots where inter-relationships of the units are lacking.
3. **Facilitating effective communication:** Effective communication processes committees and group decision-making techniques help in clarifying authority and observing the existing coordination.
4. **Coordination through leadership:** Top administration must assert its leadership role and, without this, nothing of coordinative value will occur.

The degree of effectiveness of coordination can be judged by the following criteria:

- (i) It is not forced by the autocratic direction, but is fostered by leaders who understand the value of participative management. It is timely and extends in a balanced fashion to all parts of the organization, and operates horizontally as well as vertically.
- (ii) It must be a continuous process.
- (iii) It must be directly between the persons immediately concerned.
- (iv) It must start at the outset of the activity.

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Hindrances to Effective Coordination

The vast and expanding activities of the government and the lack of delegation on the part of those high up in administration make effective coordination difficult. According to Gulick, some of the difficulties arise from the following:

- The uncertainty of the future as to the behaviour of individuals and of people
- The lack of knowledge, experience, wisdom and character among leaders and their confused and conflicting ideas and objectives
- The lack of the administrative skill and techniques
- The vast number of variables involved and the incomplete human knowledge, particularly with regard to man and life
- The lack of orderly methods of developing, considering, perfecting and adopting new ideas and programmes.

To these are added five more by Seckle-Hudson, which are as follows:

- (i) The size and complexity
- (ii) Personalities and political factors
- (iii) Lack of leaders with wisdom and knowledge pertaining to public administration
- (iv) The accelerated expansion of public administration
- (v) The accelerated expansion of public administration to international dimensions

According to McFarland, problems of coordination in a business organization stem from two main sources. First is the number and complexity of functions and the activities delegated to different participating individuals. The second problem is the increasing use of specialization of effort in building an organization's structure. Problems of coordination of different character also arise out of the perverseness of human beings in the organizational settings. In fact, it is the human aspect of coordination which poses the most serious difficulties, for, when the elements to be coordinated are human, many variables emerge in performance. Whatever hindrances may occur, suitable measures for their removal have to be sought in the overall interest of the effective working of an organization.

2.3.1 Centralization and Decentralization

The concepts of centralization and decentralization are used to denote the administrative or management authority within an organization. Centralization is the

concentration of authority in one place, while decentralization is greater dispersion of authority. Centralization inclines towards power and domination; the other inclines towards competition and self-determination.

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There are advantages as well as disadvantages of both types of structures. A pure form of centralization is not practical except in small companies and pure form of decentralization almost never exists. However, the type of organizational structure would determine the degree of centralization or the degree of decentralization.

As the organizations grow bigger by expansion, mergers or acquisitions, decentralization becomes both necessary and practical. For example, if an automobile company acquires a company that makes refrigerators, then decentralization would be the natural outcome, since policies and decisions in these two distinctly different areas may not be similar. The important question is not whether there should be decentralization, but decentralization to what degree. In addition to decentralization being logistically superior, it is also advocated by most behavioural scientists as being more democratic and hence highly morale boosting that positively affects productivity. Second, if all decisions are made at the top, then the lower level organizational members end up only as workers and not as innovators or thinkers and that inhibits the growth and development of personnel. On the other hand, decentralization tends to create a climate, whereby taking additional responsibilities and challenges, the organizational members receive executive training for growth and development.

Centralization and its Implications

Following are the implications of centralization:

- Reservation of decision-making power like planning, coordinating, control at top level
- Reservation of the operating authority with middle level
- Operations performed at lower level

Reasons for the occurrence: Factors conducive to centralization

Following are the factors conducive to centralization:

- **Personality factors**
 - o Lack of confidence over subordinate
 - o Lack of skill of subordinate
 - o Insecure personality of the chief executive
- **Political factors**
 - o Colonial legacy
 - o Nation's development
 - o Urban bias
 - o Defence activities

- **Economic Factors**

- o Big budget
- o Foreign aid
- o Control over social security spending

However, it will be useful in smaller organizations only. It cannot be used in large organizations. Further, Brown Low Committee 1937 and Hoover Commission 1949 have made a case for centralization.

Indian context

Centralized planning, defence and development aspects require centralization, while political demand and democratic participation of people indicate decentralization. Community development programme and committee of Albert Mayer argued for paranoid chief executive imposing enforcement of rules over the unwilling subordinates.

The Indian bureaucracy and administration is becoming less centralized due to several reasons such as the breakdown of Congress dominance, popular pressures, and the fragmentation of political parties. The economic reforms in the market, investment challenges and the World Bank structural adjustment plans adopted in selected states pose fiscal challenges to cooperative federalism. The delegation of power of economic decision-making to the states increases the threat of financial crises by making things easier for populist political strategies and thereby increasing uneven development. The challenge to centralization in India in the realm of politics is related to issues such as whether the state or the central government will exercise control over the movements of police and security forces for the creation of new states; and the implementation of constitutional provisions for village-level governance. We can safely say that a decline in centralization in India can be attributed more to an increase in the state-based political parties that aggregate varied interests based on region, religion, language, caste, or class, than on anything else. The increase in coalition governments at the centre has further paved path for this decline.

Decentralization

Decentralization has five aspects, which are as follows:

- Broader powers to parts and only essential to head (Administrative)
- Large areas of discretion to parts and important questions to apex (Administrative)
- Much power to elective bodies (Political)
- Freedom to field units (Geographical)
- Functional autonomy to specialists (Functional)

The differences between centralization and decentralization are shown in Table 2.1.

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Table 2.1 Differences between Centralization and Decentralization

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S. No.	Centralization	Decentralization
1.	Greater decision at top	At middle
2.	Responsibility at top	At middle
3.	Headquarters issue orders	Headquarters supply leadership
4.	Lower personnel have no initiative	More initiative

Types of decentralization

Following are the various types of decentralization:

- **Political decentralization:** It includes federal provinces and municipal offices.
- **Territorial decentralization:** It includes districts and taluka.
- **Functional decentralization:** In functional decentralization, certain powers in the specialized units are given such as UGC, Central Social Welfare Board, etc.

Factors determining decentralization

Following factors determine decentralization:

- Larger and faster growing enterprises
- Geographically spread over greater degree of uncertainty, complexity in their external environment
- Well-structured organization
- Greater stability of manpower
- Greater absence of emergency situations
- Greater faith over the subordinates' ability

Decentralization is greater if:

- Greater number of decisions is made at the lower level
- Important decisions are made at the lower level
- More functions are made at the lower level

Factors that prevent decentralization in India are as follows:

- British legacy
- Constituent assembly felt it was not ripe
- Centralized planning
- Urban bureaucracy

Decentralization in India

Democratic nations of the world put great emphasis on the decentralization of power. In India also, several measures have been taken in this view. The Panchayati Raj system is an example of this idea of decentralization. Also, in the 73rd and the 74th

Amendment Acts of the Indian Constitution, more power was given to self-governmental institutions so that democratic governance could be made more effective. The features of this amendment were as follows:

- Quinquennial elections were made compulsory at local administrative levels.
- Local-self governments got structural consistency throughout the state.
- The state election commissions got the responsibility of conducting elections for the Panchayats.
- *Gram sabhas* were formed. This was done to make sure that people participated in the process of development.
- Local bodies were given greater power to interfere with planning and development activities.

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Factors governing centralization or decentralization decision

The factors that govern centralization or decentralization are as follows:

- **Factor of responsibility:** Acts as deterrent to decentralization
- **Administrative factors:** Long age, stable policy and incompetence of field personnel favour centralization.

An Assessment of Centralization and Decentralization

The difference between centralization and decentralization is only of degree and not of kind, for no organization can be completely centralized as it would overload the chief; and cannot be completely decentralized, as it would lead to anarchy. An organization has to aim for the point where the balance between the two should be struck.

The other problem that confronts an organization is whether it should be centralized or decentralized. According to Charlesworth, 'One of the important problems of the organization is to reconcile the administrator's natural desire for complete control, uniformity and certainty with the people's demand that governmental administration, accommodates itself to local public sentiments'. To centralize or to decentralize seems to be dilemma facing the government today. Centralization and decentralization are the inter-related aspects of the organization.

Centralization refers to concentration of authority at or near the top. Decentralization carries quite the opposite meaning. It denotes the dispersal of authority among a number of individuals or units of an organization. In the words of L.D. White, 'the process of transfer of administrative authority from a lower to a higher level of government is called 'centralization'; the converse, 'decentralization'. The essential element in decentralization is the delegation of decision-making functions.

Centralization and decentralization are relative terms. One can hardly think of a system which is either fully centralized or fully decentralized. It may be either more centralized or more decentralized. Thus, centralization or decentralization may be termed as the tendency of either concentration or dispersal of authority.

Professor L.D. White writes that the administrative authority, like political authority, may be concentrated or dispersed. The constitution and legislative bodies

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may distribute power on the basis of two major rules. Much of the administrative authority may be vested by law or by constitution in the local governing bodies of a governmental system . . . In this case the administrative system is decentralized. Conversely, relatively, greater administrative power may be vested in the hands of the officials of the central government, with a consequent diminution of the authority and discretion of officials in lower governmental levels; the system is then called “Centralized” .’

The term centralization is also used with other meanings. It may refer to the relations between headquarters and field in any given jurisdiction, as a description of the relative amount of freedom left to the agents or the trends in this relationship.

The difference between the two concepts can be well understood from the following explanation by Fesler:

‘Whether a given field service leans towards centralization or towards decentralization may be discerned from the observation of the importance of matters on which field officials have decision making authority, compared to matters wholly retained for headquarters’ decisions, the extent of central consultation with field officials on matters that arise and are formally decided at headquarters, and the weight such field opinion carries, the frequency with which field officials must refer matters to headquarters for decision even though they arise at and are partially ‘processed in the field, the number and specificity of central regulations and orders governing decision-making in the field; the provision for citizen’s appeals to headquarters for overruling of field decisions; the degree to which all the agency’s field activities within each geographic area are directed by a single field official; and the caliber of field officials. Neither the mere existence of a field service, nor its carrying of a heavy workload, or its employment of nine-tenths of the agency’s personnel constitutes the evidence of decentralization.’

Centralization and decentralization have relative significance. Neither of the two is without merits or demerits.

Merits and Demerits of Centralization and Decentralization

The merits and demerits of centralization and decentralization have been summed up as follows:

Merits and demerits of centralization

Following are the merits of centralization:

- It ensures effective control over all the units of the organization.
- It ensures uniformity, as all the work is done in the same manner and in accordance with the same general policies and principles.
- It prevents abuse of the administration authority.
- It makes coordination easier.
- It gives priority to national interests over local interests.

Following are the demerits of centralization:

- It lacks flexibility of approach.
- It leads to delay in decision-making.
- It prohibits people's participation in decision-making.
- Field units as well as field officials do not get the opportunity to take initiatives.
- It puts too much burden on headquarters.
- Decisions are unlikely to be in tune with local conditions and requirements.

Merits and demerits of decentralization

As already mentioned, it is difficult to conceive of an organization, the administrative system of which is fully centralized. Decentralization is inevitable. Its degree may vary from one organization to another. Decentralization is in consonance with the principle of democracy at grass roots.

Following are the merits of centralization:

- It lessens the burden of overburdened headquarters and strengthens field agencies and grassroots units.
- It reduces delays, curbs red-tapism and encourages quicker action. Quick decisions become possible.
- Decentralization leads to morale boosting of employees. It increases efficiency.
- Subordinate officials develop a sense of confidence as they take their own decisions and shoulder their own responsibility.
- Decentralization facilitates the experiments by various units.
- Field units can take local conditions and requirements into consideration while arriving at decisions.

According to Charlesworth, 'Decentralization has a more important justification than mere administrative efficiency. It bears directly upon the development of sense of personal adequacy in the individual citizens. It has spiritual connections.'

Following are the demerits of centralization:

- Decentralization is also not free from dangers. Too much of or excessive decentralization may lead to anarchy. It makes coordination and the integration of the administrative operations difficult.
- It is neither possible nor desirable to have complete decentralization in personnel, budgeting, tax collections, accounting, planning, programming, etc.
- Rapid means of transport and communication do not favour decentralization.
- Decentralization may result in the lack of proper control over field units or agencies.
- Uniformity in administration is unlikely to be ensured.
- Local interests may take precedence over national interests.

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Decentralization, therefore, can be brought about only within certain limits. There has to be certain safeguards provided in the administrative system. Centralization and decentralization, however, are not principles that can be universally applied at any time and at any place; they have a situational relevance. Decentralization cannot be affected only for the sake of decentralization and vice-versa. A single system cannot be adopted in all circumstances. According to Fesler, centralization or decentralization of authority within an organization depends upon some kinds of factors. These are as follows:

- **The factor of responsibility:** According to the factor of responsibility, every departmental head is responsible for all the administrative activities of his department and so long as the central authority is held responsible for any action, it is hesitant and even reluctant to cede any authority to its subordinates or field officials. The central authority in such a situation prefers direct control over all their activities. The end result is the tendency of centralization, or say, more centralization and less decentralization.
- **Administrative factors:** Administrative factors also determine the extent of centralization or decentralization of authority. Among the administrative factors mentioned by Fesler are the age of the agency, stability of its policies and methods, competence of its field personnel, pressure for speed and the economy and the administrative sophistication.

Old agencies are more prone to decentralization. Stability competency of field officials is a point in favour of decentralization. If the policies and methods are not changed every other day, there is no risk involved in decentralizing reasonable authority. The need for the economy and the pressure for speedy work may necessitate decentralization. Administrative sophistication is also an important factor influencing decentralization.

- **Functional factors:** Decentralization also depends upon what type of functions the department performs or the variety of functions an agency performs. The technical nature of functions and the need for nationwide uniformity demand centralization. It is common experience that certain types of functions like defences, planning, communications requiring nationwide uniformity tend in the direction of uniformity. On the other hand, if the functions need diversity such as agriculture, forest, etc., then decentralization is preferred. Moreover, operating decisions can easily be decentralized at the appropriate lowest level. Long back, J.S. Mill recommended the vesting in the local agencies 'not only the execution, but to a great degree the control of details.'
- **External factors:** Among the external factors, the demand for popular participation in programmes may be included. Grassroots democracy implies a strong and big dose of decentralization. Decentralization of authority means a greater sense of responsibility and higher morale among field officials. It democratizes administration and brings it closer to citizens. But before decentralization is affected, the problem needs to be carefully studied. Certain safeguards must be opted for before decentralization. Before divesting himself of authority, functions and responsibility, the central authority must be sure of the following things:

- o Local officers must report to more than one central agency.
- o Jurisdictional lines must be meticulously drawn.
- o Procedures in several field establishments must come up to a common standard, although they need not be uniform.
- o The local agency must have a sufficiently flexible physical and psychological structure to permit it to adjust to the emergent local conditions.
- o The field unit must not make decisions affecting the overall policy, although it should be encouraged to make its own decisions to a point approaching that situation.
- o A system of ready appeals must be present.
- o Suggestions from the field to the centre must be freely channeled.
- o Adequate reporting and inspection methods must provide the central authority with full and current knowledge of peripheral operations.

If the central authority feels satisfied that these safeguards have been provided, it is free to decide on the extent of decentralization that it wants to effect.

Decentralization: Current Trend

Inherent in development administration is the idea of decentralization rediscovered by development theory in the mid 70s. This means creating the institutional opportunities for power distribution without which it would be difficult to break the domination of the entrenched interests. Decentralization is expected to work for the building up of an administrative space at the cutting edge level where the needs of the poor could be ventilated. Bringing administration at the doorsteps of the people and establishing direct relationship between the client and the administration have been the major thrusts of decentralization in the Third World.

In the context of the Third World, decentralization has a special significance. It is argued by scholars such as Bryan Smith that decentralization softens resistance to the inevitable and potentially destabilizing social changes that development brings about. It is done by local leadership which wins the support for change through mass mobilization.

The decentralization question cannot be understood without reference to the class background of those to whom power is decentralized. Decentralization does not always generate a process of development which benefits the poor. The class background of the leaders who wield power in the decentralized governance system, assumes special significance in the context because the target group of development in the Third World is the poor people.

Decentralization is today the most popular form of state reforms, as a World Bank report indicates. All but 12 of the 75 developing countries with more than five million inhabitants have implemented some form of decentralization, with varying degrees of financial and political power. Parallel to these developments, enabling legal frameworks and institutional channels for people's participation at the local levels have been developed in countries like Philippines, India, Honduras, Bolivia, Namibia, Uganda, Tanzania, Brazil and Nigeria.

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Democratic decentralization is a concept based on the right of the people to initiate and execute policy decisions in an autonomous way. It is today a global phenomenon. Governments of a large number of states have responded to demands for increased self-government by sharing power with and devolving authority to the lower tiers of government. Table 2.2 provides a view of political and functional decentralization in larger democracies in 1997.

Table 2.2 View of Political and Functional Decentralization in Larger Democracies in 1997

Political decentralization	Political and functional
Bangladesh	Argentina
Iran	Brazil
Kenya	Colombia
Republic of Korea	Ethopia
Morocco	Mexico
Nepal	Philippines
Nigeria	Poland
Pakistan	South Africa
Russian Federation	Uganda
Romania	Ukraine
Thailand	Venezuela

Source: World Bank, The World Development Report: Entering 21st Century

Decentralization is not limited to larger countries. The Middle East and North Africa, Jordan, Lebanon, Morocco and Tunisia – all have elected local governments. In Europe and Central Asia, the constitutions of Albania, Bosnia, Bulgaria, Croatia, Georgia, Hungary, Kazakisthan, Russia, Tajikisthan and Ukraine address the rights and responsibilities of sub-national governments, although this does not automatically guarantee autonomy. The Baltics and Kyrgyz Republic have also taken significant steps to strengthen their local government. In Latin America, every country has elected mayors.

It is, however, true that decentralization has not always resulted in the centre relinquishing much control. Ghana, Malawi and Zambia have each created local councils, but the central government continues to direct almost all spending and management decisions. Pakistan holds local elections, but so infrequently that the country has only rarely elected local governments functioning effectively.

Decentralization offers a lot of promises for the Third World. First, it is a more effective way of meeting local needs. It provides a mechanism responsive to the variety of circumstances encountered from place to place. For example, it has been shown that in Tanzania, Zambia and Papua New Guinea, decentralization particularly in rural development programmes, has set the objective of making decisions more relevant to the local needs and conditions by having them taken by local people.

There is a view that decentralization is basically needed to enable poor people to take part in politics, which is necessary for the successful implementation of anti-poverty programmes. To quote Blair, ‘The signal promise of decentralizing government

authority is enhancing democratic participation of encouraging more people to get involved in the politics that affect them, and making government more accountable by introducing citizen's supervision and control through elections. If democracy lies in rule by the people, the promise of democratic decentralization is to make that rule more immediate, direct and productive.'

Decentralization is good for people. People begin to have a better understanding of what the government does. Through this, they are more likely to adopt new ideas and practices, use of services offered, to contribute their own efforts and resources to the programme to give vitality to new institution, and make constructive adjustment in their lives that may be necessitated by the changes taking place.

Decentralization has a salutary effect on bureaucracy in the Third World. It helps bridge the gap between people and the administration generated and sustained by the colonial rule because the former get more access to administrative agencies. Thus, it creates conditions for the administrative responsiveness.

Many countries like India have embarked on constitutional amendments to strengthen the process of decentralization. The Seventy Third and Seventy Fourth constitutional amendments in India have sought to create a new tier in the country's governance design by giving constitutional sanction to *panchayats* and the urban local bodies. The amendments provide a long list of functions to be developed on the local self-governments, both urban and rural. They create institutions like the finance commissions to strengthen local bodies, and seek to institutionalize people's participation through *gram sabha* and ward committees. Reference may also be made to the constitutional amendments in Brazil and Nigeria, local government code in Philippines, municipal law in Honduras, popular participation law in Bolivia, local authority act in Namibia, local government act in Uganda and local authorities law in Tanzania for strengthening the local government.

Globally speaking, the World Bank has for some time been the major champion of decentralization. One has reasons to be suspicious about the real motive given by the increasing spread of globalization and the World Bank sponsored structural adjustment programmes in the developing countries. It is an attempt to ensure the repayment of loans by the Third World countries because decentralization may help raise more resources. It may be recalled that the British colonial rulers in India had started talking about decentralization since 1857. It was time when the colonial exchequer had suffered great damage as huge amounts of money were spent to deal with the Sepoy Mutiny. One of the reasons for colonial concern for decentralization in those days was to ensure conditions for resource mobilization at the grassroots level. The colonial rule was basically centrist; decentralization was pursued only to stave off the crisis that the colonial rule faced.

The experiences tend to show that decentralization in the Third World is still to make a significant headway. In India, for example, the constitutional amendments to strengthen decentralization are yet to yield the desired results. The state continues to rely more on the bureaucracy than on the people. Presumably, this is why in the constituency development scheme meant for the members of parliament, the constitutionalized local bodies have been by-passed. The demand for restructuring

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centre-state relations for the creation of a local list is still to merit serious attention of the Indian state.

The 73rd and 74th amendments of the Constitution of India have institutionalized people's participation through *gram sabhas* and ward committees. But the experience is not encouraging. Meetings are not held regularly. Quorum is seldom taken into account. Proceedings are not always recorded. The organizers of the meeting become impatient in the meetings and often react aggressively when people criticize their actions. Reservation of the posts of chairpersons, though a very laudable attempt, has at the initial stage, complicated the working of *panchayats* in backward states torn by caste and class rivalries. Upper caste tries to domesticate *panchayats*, often successfully, and divert development funds to its doorstep. The poor illiterate chairpersons born in a scheduled caste or tribe have often to play the role of passive onlookers. Such cases are not few and far between in some states.

2.3.2 Staff, Line and Auxiliary Agencies

Authority gives a person the power to take decisions, to supervise others' work, and to give orders. Line authority means that the manager has the authority to give orders to other managers or to employees. It involves the creation of a superior-subordinate relationship. Staff authority provides the manager the right (authority) to advise other managers or employees. It pertains to an advisory relationship. While line managers are vested with line authority, staff managers are vested with staff authority. Staff managers generally do not have the authority to issue orders down the chain of command (except in their own departments). Line managers can generally be associated with managing functions (such as sales or production). The role of staff managers is usually advisory or supportive in nature. Line agencies directly work for the achievement of organizational purposes. Staff agencies advise and assist line agencies in their activities, while the auxiliary agencies provide common housekeeping.

Line supervisors are responsible for the assessment and development of their subordinates and for assisting them in attaining the desired positions with the help of varied measures, especially counselling. Indeed, their day-to-day involvement in career development of subordinates stems largely from counselling. Although they need not be professional counsellors to accomplish effectiveness in career development, they must realize that it forms an integral part of managing the varied skills and techniques that are required to perform this role.

Line agencies

A line is originated in the military. Line agencies are concerned with substantive functions of government and are primary and central at any as well as a larger organization. Some of the classical examples are as follows:

- Government departments
- Public corporations
- Government companies
- Independent Regulatory Commissions

The salient features of line are as follows:

- The flow of authority occurs from vertical to downwards, that is, the authority is hierarchal because authority flows from the top management to the middle management to the rank and file.
- The department is divided into sub-divisions based on the nature of their work, which allows a direct chain of command. The middle management cannot give orders to the top management.
- Each component of the line agency can receive orders only from one superior. The principle of the unity of command has to be followed.
- The line agency has to take comprehensive decisions and issue commands.
- The line managers are supposed to delegate tasks to their subordinates. Delegation is sometimes called the 'direct operative authority'.

The functions of line agencies are as follows:

- There are several important decisions that are to be made by the line managers.
- The line agencies have to take responsibility for the proper performance of all tasks in a timely manner.
- The task of planning as well as supervising the implementation of these plans is undertaken by the line agencies.
- All policies pertaining to the interpretation and implementation of policies fall under the duty of the line agency.
- Maintaining production and seeking efficiency and economy in an organization is another important duty of the line agency.

Staff agencies

It is a stick on which you can lean for support but it cannot take or initiate any decision. So, it is only supportive of main line function. They advise and help the line functions for more efficient results. But staff officers do not have any command over the functions.

The main characteristics of staff agencies are as follows:

- The staff has to ensure that the decisions taken by the line agency are implemented properly. They have to provide assistance to the line agency for implementing decisions. In this way, they reduce the functions of the executive head to a great extent. They have to cooperate with the line agents. The technical staff advises the chief executive in technical matters.
- All the research and data in the organization about new policies, policy changes, etc. have to be collected by the staff agency. They have to make information available to all those who require it.
- The main role of the staff agency is that of an advisory body, such as the Planning Commission. They help the line agency in taking decisions.
- The staff also performs supervisory functions in an organization. The Cabinet Secretariat of the government is an example of the general staff in India.

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- The line delegates several of its functions to the staff. For example, the Prime Minister Office press release is performed by the staff.

The functions of staff agencies are as follows:

- The staff agencies exercise financial control and take budgetary decisions in the organization.
- They have to hire personnel for the various departments.
- They have to help the executive head in planning activities pertaining to important matters.
- Providing information, conducting research, reporting and public relations are also other important functions of the staff. They have to maintain records for the company.
- They have to arrange legal services if the need be.
- There are several other management procedures that fall under the scope of the duties performed by the staff agency.

There are three types of staff agencies:

1. General staff or filter and funnel—PMO or White House—administrators and non-technical staff
2. Technical staff—economic or financial or foreign affair advisor
3. Auxiliary staff—Willoughby called them as the institutional or housekeeping services

Auxiliary agencies

They were termed as the establishment services by British writers.

Staff agencies in various countries

- **India:** Prime Minister Office, Cabinet Secretariat, Cabinet Committees, Planning Commission, Union Public Service Commission, Staff Selection Commission, Central Bureau of Investigation
- **Britain:** Cabinet Secretariat, Cabinet Committees, Treasury, Civil Service Department, Central Police Review Staff
- **USA:** White House Office, Executive Office of the President, National Security Council

Conflict between staff and line

Following are the reasons for conflict between staff and line:

- Line dislikes staff for the fear of being taken for a ride.
- Staff controls office technology, including fax and computer.
- Staff controls information.
- Line is not for change, but staff acts as the catalyst for change.

Power of the systems under Presidential and Cabinet systems

Staff is more powerful, as the Chief Executive has wider control and powers under separation of powers. Hence, OBM, White House and offices in the EOP are more powerful than the staff agencies under the Cabinet system. The Chief Executive does not require the approval of cabinet for supporting the staff agency. But in the cabinet, PM has to keep his ministers together to support the staff.

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CHECK YOUR PROGRESS

5. State any two principles of a good organization:
6. What does the principle of 'span of control' refer to?
7. Define authority.

2.4 MANAGEMENT: ITS MEANING, NATURE, TYPES AND VALUES

Management in some form or another is an integral part of living and is essential wherever human efforts are to be undertaken to achieve desired objectives. The basic ingredients of management are always at play whether we manage our lives or our business. For example, let us look at the managerial role of a simple housewife and how she uses the managerial ingredients in managing the home. First of all, she appraises her household and its needs. She forecasts the needs of the household for a period of a week or a month or longer. She takes stock of her resources and any constraints on these resources. She plans and organizes her resources to obtain the maximum benefits out of these resources. She monitors and controls the household budget and expenses and other activities. In a large household, she divides the work among other members and coordinates their activities. She encourages and motivates them to do their best in completing their activities. She is always in search for improvements in goals, resources and in means to attain these goals. These ingredients, generally, are the basic functions of management.

The concept of management is as old as the human race itself. The concept of 'family' itself required that life be organized and resources of food be apportioned in a manner so as to maximize the utility of such resources. Taking proper steps to safeguard the family from attacks by wild animals, planning on where to go fishing and hunting and whom to go with, organizing these groups into chiefs and hunting and fishing bands where chiefs gave directions and so on, are all subtle ingredients of management and organization. A study of various people around the world shows good examples of organizational structures and organizational evolution over the years. A village open market in a tribe and a large department store in a modern city serve the same needs in a similar fashion, which is putting things together that people need. While the tribal organization was simple in nature, the modern organization is much more sophisticated and complex with many technological

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innovations. However, the basic form of management and organizational structure seem to have existed since the beginning of organized human activity.

Even the recorded history shows the application of some current management techniques as far back as 5000 BC when the ancient Sumerians used written records in assisting governmental operations. The Egyptian pyramids, built as early as 3000 BC, required the organized efforts of over 1,00,000 workers. It would be natural to assume that all functions of modern management, namely, planning, organizing, directing and controlling played a significant role in the construction of these monuments. Similarly, the early civilization of India bears witness to organized living. Around 500 BC, Mencius declared:

‘Whoever pursues a business in this world must have a system. A business, which has attained success without a system, does not exist. From ministers and generals down to the hundreds of craftsmen, every one of them has a system. The craftsman employs the ruler to make a square and the compass to make a circle. All of them, both skilled and unskilled, use this system. The skilled may at times accomplish a circle and a square by their own dexterity. But with a system, even the unskilled may achieve the same result, though dexterity they have none. Hence, every craftsman possesses a system as a model. Now, if we govern the empire, or a large state without a system as a model, are we not even less intelligent than a common craftsman?’

Management, as a system, is not only an essential element of an organized society but also an integral part of life when we talk about managing our lives. Managing life is not much different from managing an organization and this ‘art’ of management has been with us from time immemorial. Just as a well-managed life is much better organized, goal oriented and successful ‘good’ management of an organization makes the difference between the success and the failure of the organization. Perhaps, the importance of management was highlighted by the late President of United States, John F. Kennedy when he said that, the role of management in our society is critical in human progress. It serves to identify a great need of our time: to improve standards of living for all people through effective utilization of human and material sources. Similarly, Peter F. Drucker, a noted management authority has emphasized the importance of management to social living. He proclaimed nearly 25 years ago that, ‘effective management was becoming the main resource of developed nations and that it was the most needed resource for developing nations.’

A manager’s job is highly crucial to the success of any organization. The more complex the organization, the more crucial the manager’s role in it is. A good manager makes things happen. The importance of management in any organization was emphasized by Professor Leonard R. Sayles in his address to a group of management development specialists, as follows:

‘We must find ways of convincing society as a whole, and those who train managers in particular, that the real leadership problems of our institutions—the getting things done, the implementation, the evolving of a consensus, the making of the right decisions at the right time with the right people—is where the action is.

Although we as a society haven't learned to give much credit to managers, I hope we can move toward recognizing that managerial and leadership jobs are among the most critical tasks of our society. As such, they deserve the professional status that we give to more traditional fields of knowledge.'

Management Defined

Many management thinkers have defined management in their own ways. For example, Van Fleet and Peterson define management, 'as a set of activities directed at the efficient and effective utilization of resources in the pursuit of one or more goals.' Figure 2.2 shows the components of management.

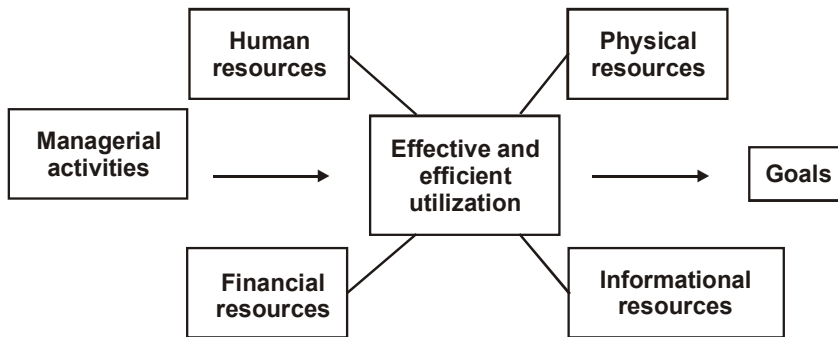


Fig. 2.2 Components of Management

Meggison, Mosley and Pietri define management as 'working with human, financial and physical resources to achieve organizational objectives by performing the planning, organizing, leading and controlling functions'. Figure 2.3 shows the Meggison, Mosley and Pietri definition of management.

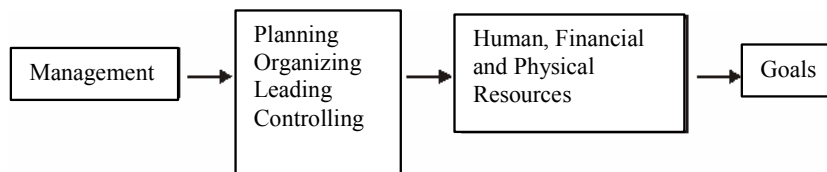


Fig. 2.3 Meggison, Mosley and Pietri Management Definition

Kreitner considers management as a problem-solving process. He defines management as follows:

'Management is a problem solving process of effectively achieving organizational objectives through the efficient use of scarce resources in a changing environment.'

Some of the integral elements of this definition can be separated and briefly explained as follows:

- 1. Problem solving process:** One of the most important functions of a manager is to make decisions and solve problems. Some of the major problems that management must continually face include unpredictable economic trends, changing governmental regulations, resource shortages and a severe competition for these resources, employee demands, technical

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problems, technological developments and so on. There are other problems that are comparatively routine in nature and can be solved by some tried and tested mechanisms. For example, a change in production quality can be easily looked into and the process corrected or modified or changed if necessary. On the other hand, an increase in employee grievances or employee absenteeism or turnover may require carefully studied unique solutions.

2. **Organizational objectives:** All organizations have a mission that is the very basic reason for their existence and certain goals and objectives. While the goals are long range and more general in nature, objectives are more specific, tangible and most often quantifiable. For example, the mission of a college may be high quality education, its goal may be to primarily serve the educational needs of the surrounding community and its objective may be to increase the number of new students entering the college by ten per cent in two years. The primary objective of most organizations is to provide a service for the public. Of course, such service has to be profitable for the organization in monetary terms, for that is the essence of a capitalist economy. Accordingly, management must plan its activities along these lines. Additionally, it is also the management's responsibility to integrate the personal objectives of the employees into organizational objectives. The personal objectives of employees may include higher remuneration, more challenging tasks and responsibilities and participation in the decision-making process.
3. **Efficiency:** Efficiency, along with effectiveness, is the most common way of measuring organizational performance. Efficiency is the ability to 'get things done correctly.' An efficient manager achieves a higher output with given resources of time, talents and capital so that these resources are fully utilized without waste. Similarly, effectiveness means 'doing the right things in the right way at the right time.' Accordingly, successful managers would not only be effective in terms of selecting the right things to do and the right methods for getting them done, but they would also be efficient in fully utilizing resources.
4. **Scarce resources:** The resources of people, time, capital and raw materials are all finite and limited. They are all scarce in nature and are not expandable. Additionally, there is a fierce competition for acquiring these resources. Management, basically, is a 'trusteeship' of these resources and hence must make conscious efforts to make the most of these resources.
5. **Changing environment:** The dynamics of the environment is evidenced by the changes that have taken place in all areas in the last few years. The advent of computers and telecommunications technology has changed the ways in which the assessment of the environment is carried out for decision-making purposes. Accordingly, management must be prepared to predict accurately these changes and formulate ways to meet these new challenges more effectively.

Folk Management

Folk management is also known as indigenous management, community-based management, and bottom-up management. It is a form of co-management where the local stakeholders participate in the different functions of management such as planning, research and development, management and policy making for the whole community. Managing functions are decentralized, allowing local people to deal with the social, political and economic problems that are unique to their community. Solutions are found based on the evaluation of their situation. However, overwhelming pressures can affect the efficient working of folk management. According to current research, this form of management, upon its proper implementation, helps in securing the overall well-being of its stakeholders.

Nature of Management

In spite of the growing importance of management as an academic discipline and therefore contributing to the quality of human life, the concept is still clouded by certain misconceptions.

No doubt, management as an academic body of knowledge has come a long way in the last few years. It has grown and gained acceptance all over the world. Yet, it is a paradox that the term 'Management' continues to be the most misunderstood and misused.

A study of the process of management reveals the following points about the nature of management.

1. Management is a universal process

Where there is human activity, whether individual or joint, there is management. The process of management can be noticed in all spheres of life. The basic nature of management activity remains same in all arenas, whether the organization to be managed is a family, a club, a trade union, a trust, a municipality, a business concern or the government. Slight variations in approach and style may be there from organization to organization, but the management activity is basically the same everywhere.

2. Management is a factor of production

Management is regarded as a factor of production. Just as land, labour and capital have to be brought together and put to effective use for the production and distribution of goods and services, similarly managerial skills have also to be acquired and effectively used for the purpose.

In the modern industrial set-up, qualified and efficient managers are essential to reap the fruits of huge investment in business where the pattern of production has become capital-intensive. In fact, in this scenario, the more important would be the role of management.

3. Management is goal oriented

The most important goal of all management activity is to accomplish the objectives of an enterprise. These objectives may be economic, socio-economic, social and

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human and thereby management at different levels seeks to achieve these in different ways. But at all times, management has definite objectives to pursue and it employs all the resources as it commands – men, money, materials, machines and methods in the pursuit of the objectives.

4. Management is supreme in thought and action

Determination of the objectives of an enterprise tests the collective wisdom and sense of imagination of its management. The objectives should be neither too high sounding or difficult to achieve, nor too low pitched to rob the workers of their sense of achievement. But, mere setting of objectives will be of no avail, if there is no vigorous action to achieve them.

Managers set realizable objectives and then mastermind action on all fronts to accomplish them. Managers belong to that rare breed of men who are not only aware of what is to be achieved and how, but also possess the capability and courage to accept the challenges of doing it.

5. Management is a Group Activity

An enterprise will not be able to achieve its objectives if only one or a few individuals or departments are efficient and the rest are inefficient. The calibre of each individual and each department needs to be efficient in order to make a project successful. For example, even the best performance by the production department will become meaningless if the sales department does not make efforts to sell the products or if the finance department does not ensure adequate availability of funds.

For the success of an enterprise, it is necessary that all the human and physical resources at its disposal are efficiently coordinated to attain the maximum levels of productivity. It is well known that the combined productivity of different resources will always be much higher than the total of individual productivity of each resource. The test of managerial ability lies in coordinating the various resources and to achieve maximum combined productivity. With proper management, one plus one does not mean two, but eleven. This is also called the multiplier effect of management activity.

6. Management is a Dynamic Function

Management is a dynamic function of a collective enterprise, which is constantly engaged in casting and recasting the enterprise in the world of an ever-changing business environment. Not only this, it also sometimes initiates moves that reform and alter the business environment. If an enterprise is well equipped to face the changes in business environment brought about by economic, social, political, technological or human factors, it can soon adapt itself to a changed environment or make innovation to attune itself to it. For example, if there is a fall in the demand for a particular product, the enterprise can be kept in readiness to explore new markets or switch over to production of new goods with ready demand.

7. Management is a Social Science

In other words, management means getting the tasks done by different people with different qualities. This involves dealing with individuals, each one of who has a

different level of sensitivity, understanding and dynamism. In fact, no definite principles or rules can be laid down in respect of human behaviour. These principles change from individual to individual and from situation to situation. No doubt, a manager may seek guidelines from established principles and rules but he cannot base his decisions on them.

8. Management is an Important Organ of Society

Management as an activity has carved for itself an important place in society. Management shares a direct relationship with society. While the society influences the managerial actions, managerial actions influence the society. By their decisions, management of large undertakings influence the economic, social political, religious, moral and institutional behaviour of the members of society. This creates an impact on the social and moral obligations of business management, which cannot be easily ignored.

9. Management is a System of Authority

It is the job of management to bring about a harmonious arrangement and pattern among the different resources employed in an undertaking. In fact, management's role as a factor of production forces itself to be methodical in plans and procedures and on the other hand systematic and regular in their implementation. For this, it is necessary that the authority vested in the management is to be exercised properly and correctly. Therefore, this calls for well-defined lines of command, delegation of suitable authority and responsibility at all levels of decision-making. Unless there is proper balance between authority and responsibility at each level of decision-making, the organization might not succeed in the task of accomplishment of its objective.

10. Management is a Profession

Management makes judicious use of all available means to accomplish certain predetermined ends. To achieve this successfully, managers need to possess managerial knowledge and training. Moreover, they have to conform to a recognised code of conduct and remain conscious of their social and human obligations. Managers are well paid and well provided by the organization for their work. Moreover, they enjoy considerable social prestige too.

11. Management as a Process

Management is an activity consisting of a distinct process, which is known as the management process. This process is primarily concerned with the important task of goal achievement. No business enterprise can achieve its objectives until and unless all the members of the unit make an integrated and planned effort under the directions of central coordination agency. In management terminology, this central co-ordinating agency is technically known as 'MANAGEMENT' and the methodology of getting things done is known as 'Management process' The process, in general, is defined as a series of actions or operations conducted towards an end. The logic of the management process is that particular functions are performed in a sequence within a given period of time. In other words, the functions that are performed

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by a manager and the sequence in which they are performed are together called the 'management process'.

The processes such as planning, organizing and actuating involved in the achievement of business goals together form the management process.

Scope of Management

Although it is difficult to precisely define the scope of management, yet the following areas are included in it:

1. **Subject-matter of management:** Planning, organizing, directing, coordinating and controlling are the activities included in the subject matter of management.
2. **Functional areas of management:** These include:
 - Financial management includes accounting, budgetary control, quality control, financial planning and managing the overall finances of an organization.
 - Personnel management includes recruitment, training, transfer promotion, demotion, retirement, termination, labour-welfare and social security industrial relations.
 - Purchasing management includes inviting tenders for raw materials, placing orders, entering into contracts and materials control.
 - Production management includes production planning, production control techniques, quality control and inspection and time and motion studies.
 - Maintenance management involves proper care and maintenance of the buildings, plant and machinery.
 - Transport management includes packing, warehousing and transportation by rail, road and air.
 - Distribution management includes marketing, market research, price-determination, taking market-risk and advertising, publicity and sales promotion.
 - Office management includes activities to properly manage the layout, staffing and equipment of the office.
 - Development management involves experimentation and research of production techniques, markets etc.
3. **Management is an inter-disciplinary approach:** For the correct implementation of the management, it is important to have knowledge of commerce, economics, sociology, psychology and mathematics.
4. **Universal application:** The principles of management can be applied to all types of organizations irrespective of the nature of tasks that they perform.
5. **Essentials of Management:** Three essentials of management are:
 - o Scientific method
 - o Human relations
 - o Quantitative technique

- 6. Modern management is an agent of change.** The management techniques can be modified by proper research and development to improve the performance of an organization.

Need for Management

Management is an essential component of all social organizations and is to be found everywhere as a distinct, separate and dominant activity. The importance of management cannot be over emphasized. The significance of 'Management' may be outlined in the following paragraphs:

- 1. To meet the challenges of change:** In recent years, the challenge of change has become intense and critical. Only scientific management can overcome the complexities of modern business.
- 2. For effective utilization of the Seven Ms:** There are seven Ms in business: men, materials, money, machines, methods, markets and management. Management stands at top of all these Ms. It determines and controls all other factors of business.
- 3. For the development of resources:** Good management procures good business by creating vital dynamic and life-giving force in the organization.
- 4. Management directs the organization:** Just as the mind directs and controls the body to fulfil its desires, similarly management directs and controls the organizations to achieve the desired goal.
- 5. Integrate various interests:** There are various interest groups that put pressure over other groups for maximum share in the total output. Management balances these pressures and integrates the various interests.
- 6. Management provides stability:** In the modern society, management provides stability by changing and modifying the resources in accordance with the changing environment of the society.
- 7. Management provides innovation:** Management provides new ideas, imagination and vision to the organization and is necessary for better and greater performance.
- 8. Management provides co-ordination and establishes team spirit:** Management co-ordinates the activities of the different departments in an enterprise and establishes team spirit amongst the personnel.
- 9. To tackle business problems:** Goods management serves as a friend, philosopher and guide in tackling business problems. It provides a tool for doing a task in the best possible manner.
- 10. A tool of personality development:** Management is necessary not only for productivity, but also for improvement in the efficiency of mankind. Management helps improve the personality of people and therefore attempts to raise their efficiency and productivity.

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Management – A Science or an Art?

Generally, a controversy arises over the question whether management is a science or an art. It is said management is the oldest of arts and the youngest science. This explains the changing nature of management. But to have an exact answer to the question it is necessary to understand the meaning of the terms 'science' and 'art'.

Management as a science

Before trying to examine whether management is a science or not, we have to understand the nature of science. Science may be described as a systematized body of knowledge pertaining to an act of study and contains some general truths explaining past events or phenomena. It is systematized in the sense that relationships between variables and their limits have been ascertained and underlying principals have been discovered. Three important characteristics of science are:

- It is a systematized body of knowledge and uses scientific methods for observation.
- Its principles are evolved on the basis of continued observation and experiment.
- Its principles are exact and have universal applicability without any limitation.

Examples of scientific principles are that two atoms of hydrogen and one atom of oxygen form one molecule of water or according to the law of gravitation if anything is thrown towards the sky it will come down to the earth.

Judging from these criteria, it may be observed that management too is a systematized body of knowledge and its principles have evolved on the basis of observation not necessarily through the use of scientific methods. However, if we consider science as a discipline in the sense of our natural science, one is able to experiment by keeping all factors and then varying them one at a time. In natural science, it is possible to repeat the same conditions over and over again, which enables the scientist to experiment and to obtain a proof. This kind of experimentation cannot be carried out in the art of management since we are dealing with the human element. This puts a limitation on management as a science. It may be designated as an 'inexact' or 'soft science'.

Management as an art

Art comprises the 'know-how to accomplish a desired result'. The focus is on doing things in one way. As the saying goes 'practice makes a man perfect', constant practice of the theoretical concepts (knowledge base) contributes to the formation of skills. The skills can be acquired only through practice. In a way, the attributes of science and art are the two sides of a coin. Medicine, engineering, accountancy and the like require skills on the part of the practitioners and can only be acquired through practice. Management is no exception. For example, a university gold medallist in surgery may not necessarily turn out to be a good surgeon; similarly a management graduate from the best of the institutes may not be very effective in practice. In both the cases, the application of knowledge acquired through formal education, requires ingenuity, correct understanding of the variables in the situation, pragmatism and creativity in finding solutions to problems.

Effective practice of any art requires a thorough understanding of the science underlying it. Thus science and art are not mutually exclusive, but are complementary. Executives who attempt to manage without the conceptual understanding of the management principles and techniques have to depend on luck and intuition. With organized knowledge and the necessary skill to use such knowledge, they have a better chance to succeed. Therefore, it may be concluded that management is both a science and an art.

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Management Process

There are basically five primary functions of management. These are as follows:

- (i) Planning
- (ii) Organizing
- (iii) Staffing
- (iv) Directing
- (v) Controlling

The controlling function comprises co-ordinating, reporting and budgeting, and hence the controlling function can be broken into these three separate functions. Based upon these seven functions, Luther Guelick coined the word POSDCORB, which generally represents the initials of these seven functions. All the primary functions are explained and discussed fully in the following pages and only a brief introduction to these functions is given here.

1. Planning

Planning is future oriented and determines an organization's direction. It is a rational and systematic way of making decisions today that will affect the future of the company. It is a kind of organized foresight as well as corrective hindsight. It involves the predicting of the future as well as attempting to control the events. It involves the ability to foresee the effects of current actions in the long run in the future. Peter Drucker has defined planning as follows:

'Planning is the continuous process of making present entrepreneurial decisions systematically and with best possible knowledge of their futurity, organizing systematically the efforts needed to carry out these decisions and measuring the results of these decisions against the expectations through organised and systematic feedback.' An effective planning programme incorporates the effect of both external as well as internal factors. The external factors are shortages of resources; both capital and material, general economic trend as far as interest rates and inflation are concerned, dynamic technological advancements, increased governmental regulation regarding community interests, unstable international political environments, etc. The internal factors that affect planning are limited growth opportunities due to saturation requiring diversification, changing patterns of work force, more complex organizational structures, decentralization, etc.

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2. Organizing

Organizing requires a formal structure of authority and the direction and flow of such authority through which work sub-divisions are defined, arranged and co-ordinated so that each part relates to the other part in a united and coherent manner so as to attain the prescribed objectives. Thus the function of organizing involves the determination of activities that need to be done in order to reach the company goals, assigning these activities to the proper personnel, and delegating the necessary authority to carry out these activities in a co-ordinated and cohesive manner. It follows, therefore, that the function of organizing is concerned with:

- (i) Identifying the tasks that must be performed and grouping them whenever necessary
- (ii) Assigning these tasks to the personnel while defining their authority and responsibility
- (iii) Delegating this authority to these employees
- (iv) Establishing a relationship between authority and responsibility
- (v) Co-ordinating these activities

3. Staffing

Staffing is the function of hiring and retaining a suitable work-force for the enterprise both at managerial as well as non-managerial levels. It involves the process of recruiting, training, developing, compensating and evaluating employees, and maintaining this workforce with proper incentives and motivations. Since the human element is the most vital factor in the process of management, it is important to recruit the right personnel. This function is even more critically important since people differ in their intelligence, knowledge, skills, experience, physical condition, age and attitudes, and this complicates the function. Hence, management must understand, in addition to the technical and operational competence, the sociological and psychological structure of the workforce.

4. Directing

The directing function is concerned with leadership, communication, motivation and supervision so that the employees perform their activities in the most efficient manner possible, in order to achieve the desired goals. The leadership element involves issuing of instructions and guiding the subordinates about procedures and methods. The communication must be open both ways so that the information can be passed on to the subordinates and the feedback received from them. Motivation is very important, since highly motivated people show excellent performance with less direction from superiors. Supervising subordinates would lead to continuous progress reports as well as assure the superiors that the directions are being properly carried out.

5. Controlling

The function of control consists of those activities that are undertaken to ensure that the events do not deviate from the pre-arranged plans. The activities consist of establishing standards for work performance, measuring performance and comparing it to these set standards and taking corrective actions as and when needed, to correct any deviations. All these five functions of management are closely interrelated. However, these functions are highly indistinguishable and virtually unrecognizable on the job. It is necessary, though, to put each function separately into focus and deal with it.

Managerial Roles

Another approach to study management is to examine the roles that managers are expected to perform. These roles can be defined as the organized sets of behaviours identified with the position. These roles were developed by Henry Mintzberg in the late 1960s after a careful study of executives at work. All these roles in one form or another deal with people and their interpersonal relationships. These ten managerial roles are divided into three categories. The first category of interpersonal roles arises directly from the manager's position and the formal authority bestowed upon him. The second category of informational roles is played as a direct result of interpersonal roles and these two categories lead to the third category of decisional roles. Figure 2.4 shows the managerial roles.

These roles are now explained in more detail.

1. Interpersonal Roles

Managers spend a considerable amount of time in interacting with other people both within their own organizations as well as outside. These people include peers, subordinates, superiors, suppliers, customers, government officials and community leaders. All these interactions require an understanding of interpersonal relations. Studies show that interacting with people takes up nearly 80% of a manager's time. These interactions involve the following three major interpersonal roles:

- **Figurehead:** Managers act as symbolic figureheads performing social or legal obligations. These duties include greeting visitors, signing legal documents, taking important customers to lunch, attending a subordinate's wedding or speaking at functions in schools and churches. All these, primarily, are duties of a ceremonial nature but are important for the smooth functioning of the organization.
- **Leader:** The influence of the manager is most clearly seen in his role as a leader of the unit or organization. Since he is responsible for the activities of his subordinates, he must lead and coordinate their activities in meeting task-related goals and he must motivate them to perform better. He must be an exemplary leader so that his subordinates follow his directions and guidelines with respect and dedication.

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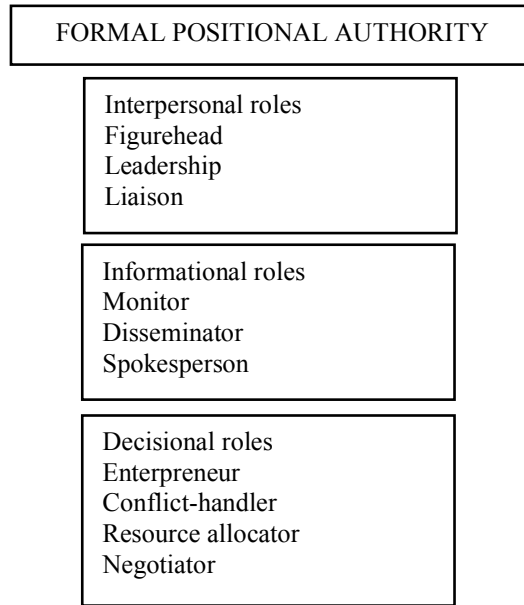


Fig. 2.4 Various Managerial Roles

- **Liaison:** In addition to their constant contact with their own subordinates, peers and superiors, the managers must maintain a network of outside contacts in order to assess the external environment of competition, social changes or changes in governmental rules, regulations and laws. In this role, the managers build up their own external information system. In addition, they develop networks of mutual obligations with other managers in the organization. They also form alliances to win support for their proposals or decisions. The liaison with external sources of information can be developed by attending meetings and professional conferences, by personal phone calls, trade journals and by informal personal contacts within outside agencies.

2. Informational Roles

By virtue of his interpersonal contacts, a manager emerges as a source of information about a variety of issues concerning the organization. In this capacity of information processing, a manager executes the following three roles:

- **Monitor:** The managers are constantly monitoring and scanning their environment, both internal and external, collecting and studying information regarding their organization and the outside environment affecting their organization. This can be done by reading reports and periodicals, by asking their liaison contacts and through gossip, hearsay and speculation.
- **Disseminator of information:** The managers must transmit their information regarding changes in policies or other matters to their subordinates, their peers and to other members of the organization. This can be done through memorandums, phone calls, individual meetings and group meetings.
- **Spokesperson:** A manager has to be a spokesman for his unit and he represents his unit in either sending relevant information to people outside his

unit or making some demands on behalf of his unit. This may be in the form of the president of the company making a speech to a lobby on behalf of an organizational cause or an engineer suggesting a product modification to a supplier.

3. Decisional roles

On the basis of the environmental information received, a manager must make decisions and solve organizational problems. In that respect, a manager plays four important roles.

- **Entrepreneur:** As entrepreneurs, managers are continuously involved in improving their units and facing the dynamic technological challenges. They are constantly on the lookout for new ideas for product improvement or products addition. They initiate feasibility studies, arrange for capital for new products if necessary, and ask for suggestions from the employees for ways to improve the organization. This can be achieved through suggestion boxes, holding strategy meetings with project managers and R & D personnel.
- **Conflict handler:** The managers are constantly involved as arbitrators in solving differences among the subordinates or the employee's conflicts with the central management. These conflicts may arise due to demands for higher pay or other benefits or these conflicts may involve outside forces such as vendors increasing their prices, a major customer going bankrupt or unwanted visits by governmental inspectors. Managers must anticipate such problems and take preventive action if possible or take corrective action once the problems have arisen. These problems may also involve labour disputes, customer complaints, employee grievances, machine breakdowns, cash flow shortages and interpersonal conflicts.
- **Resource allocator:** The third decisional role of a manager is that of a resource allocator. The managers establish priorities among various projects or programs and make budgetary allocations to the different activities of the organization based upon these priorities. They assign personnel to jobs, they allocate their own time to different activities and they allocate funds for new equipment, advertising and pay raises.
- **Negotiator:** The managers represent their units or organizations in negotiating deals and agreements within and outside of the organization. They negotiate contracts with the unions. Sales managers may negotiate prices with prime customers. Purchasing managers may negotiate prices with vendors.

All these ten roles are important in a manager's job and are interrelated even though some roles may be more influential than others, depending upon the managerial position. For example, sales managers may give more importance to interpersonal roles while the production managers may give more importance to decisional roles. The ability to recognize the appropriate role to play in each situation and the flexibility to change roles readily when necessary, are characteristics of effective managers. Most often, however, the managerial effectiveness is determined by how well the decisional roles are performed.

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Managerial Skills

A skill is an acquired and learned ability to translate knowledge into performance. It is the competency that allows for performance to be superior in the field in which the worker has the required skill. All managers need to possess technical, interpersonal, conceptual, diagnostic, communicational and political skills. While technical and diagnostic skills refer to the knowledge and ability of understanding the processes involved and scientifically analyzing problems and opportunities, all other skills deal with people in one form or the other. These human skills are the most important assets of any successful manager.

It is the manager's job to achieve the organizational objectives through the proper utilization of its human and material resources. However, since the material resources of equipment, capital, facilities, information and so on can only be used by humans, the human resources are the most valuable assets of any organization. Accordingly, a manager must be highly skilled in the art of optimally utilizing the human resources. This art is universal in nature. In every walk of life, human skills are necessary for success. These various skills are briefly explained as follows:

Technical skills

These skills basically involve the use of knowledge, methods and techniques in performing a job effectively. This is a specialized knowledge and expertise which is utilized in dealing with day-to-day problems and activities. For example, engineers, accountants, computer programmers and systems analysts, all have technical skills in their areas and these skills are acquired through education and training. This skill is highly necessary at the lower level of management and as one moves to higher levels of management, the relative importance of technical skills usually diminishes. This is so because unlike first level supervisors, managers at higher levels have less direct contact with technical operating problems and activities.

Human skills

Human skill is the ability to work with other people in a cooperative manner. It involves understanding, patience, trust and genuine involvement in interpersonal relationships. These are interpersonal skills and are necessary at all levels of management. People with good interpersonal skills build trust and cooperation as they motivate and lead and thus become successful managers. This skill is gaining more importance as the work place is becoming more and more ethnically diversified and the manager has to be aware and become adaptive to cultural differences. Furthermore, since the businesses are more and more becoming multinational and global, managers are required to learn new ways of dealing with people in different countries with different cultures and value systems.

Management and Administration

The terms 'management' and 'administration' are often used synonymously. According to Dalton E. McFarland, 'In business firms, administration refers to higher,

policy-determining level. One seldom regards the first-line supervisor as an administrator, instead he is a manager. In the health care fields and in many service organization, problems (such as individual's chronic disease) are managed but programmes (such as flu vaccine distribution) are administered'.

Administration may be defined as 'the guidance, leadership and control of the efforts of a group of individuals towards some common goals'. Often the terms administration and management are used together as administrative management. Administrative Management is different from 'operative management', which is concerned with the operational aspects of a business. Some experts like Oliver and Sheldon distinguished administration from management by suggesting definitions of their own.

The definition

Administration is defined as a function of an organization concerned with policy – determination, co-ordination of finances, production, distribution and control of the executives required for establishing an organization. Contrary to this, management is the process concerned with the execution of the policies within certain limits set by the administration and employment of the organization for the purpose of accomplishing objectives laid down by the administration.

Essence of administration

Ordway Tead has analysed the process of administration into distinct elements, which are:

- Establishing the objectives of an organization
- Formulating broad policies for an organization
- Stimulating the organization
- Evaluating the performance of an organization
- Looking ahead

Thus, management actions are directed towards attaining the aims and objectives laid down by administration.

It is, therefore, clear that administration is more important at higher levels whereas management is more important at lower levels in the firm's organizational pyramid. This is shown in the Figure 2.5.

Thus, administration is a top-level function while management is a bottom-level function. The fundamental point of distinction between these two aspects is that the former is the process of formulating policies and goals of the organization while the latter directs and guides the operational or functional aspects of the organization towards achieving the objectives set by the former. Figure 2.5 shows the administration and management ladder:

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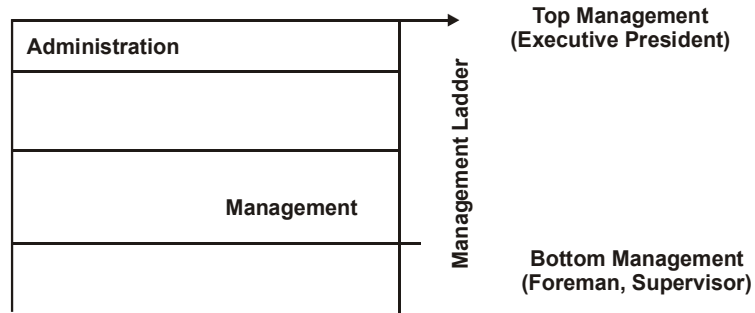


Fig. 2.5 The Administration and Management Ladder

A closer look reveals that the scope of management is broader than that of administration. It is true that planning is more important and broader at higher levels of organization. Yet, it is equally valid that every level of management, irrespective of its hierarchy in the organizational set-up has to do some sort of planning and policymaking along with their execution. Therefore, management includes both administrative management and operative management.

CHECK YOUR PROGRESS

8. Define management.
9. What is folk-management?
10. What are the three essential elements of management?
11. What are the five primary functions of management?
12. According to Ordway Tead, what are the distinct elements of administration?

2.5 SUMMARY

- A Piece Rate System is regarded to be an outstanding contribution to the system of wage payment. The workers in those times were at the mercy of the entrepreneur or the capitalist. F Taylor alleged that there must be some system of payment for the workers as every worker was paid according to his produce.
- All the principles given by F Taylor can be divided into the following four categories: (a) Development of true science of management (b) Scientific selection of workers (c) Friendly cooperation between the workers and the management (d) Equal division of work responsibilities between the management and workers
- Taylor formulated the concept of 'functional foremanship' in his work published in 1911. He opined that the supervisors and managers must also possess some specific skills and knowledge. Among other qualities, this included basic educational qualifications, specialization, capacity, tact, energy and honesty of purpose.

- An important classical theorist Henri Fayol (1841–1925) observed that management was an undertaking common to all human activities. He enunciated certain basic concepts and principles of management and viewed management as a teachable theory dealing with planning, organizing, commanding, coordinating and controlling the work process. Fayol’s theory is often considered the first complete theory of management.
- Henry Fayol propounded fourteen principles of an organization, which are as follows: (a) Division of work or specialization (b) Authority and responsibility (c) Discipline (d) Unity of command (e) Unity of direction (f) Subordination of individual interest to general interest (g) Remuneration of personnel (h) Centralization (i) Scalar chain (hierarchy) (j) Order (placement) (k) Equity (l) Stability of tenure of personnel (m) Initiative (n) Esprit de corps
- Both Taylor and Fayol were believed to be the pioneers of the scientific management movement. While Taylor developed principles of business management, Fayol advocated the formal theory of organization which applied mostly to the top management level.
- Frank Gilbreth (1868–1924) and Lilian Gilbreth (1878–1972) as husband and wife team contributed extensively towards the concept of scientific management and were primarily responsible for analysis of time and motion study of workers, thus improving upon time and motion elements by eliminating unnecessary motions. They were also responsible for such management tools as the process chart, flow diagrams and merit-rating system for employees.
- Henry Gantt worked with Taylor and was responsible for introducing “Task and Bonus Plan” and the Gantt chart. The “Task and Bonus Plan” was aimed at providing extra wages for extra ‘work in addition to a guaranteed minimum wage. Bonuses were also awarded to supervisors who were successful in getting their workers to meet the output goal.
- There are several theories of organization that help identify important aspects, issues and problems in certain management situations and, as such, try to anticipate relations. The classical theory of organization, also known as the mechanistic theory or the structural theory is the dominant one in the field, and has been enunciated most notably by classical theorists Max Weber, Luther Gullick, L. F. Urwick, J. D. Mooney, Reilly, etc. These writers argue that administration is administration regardless of the kind of work being undertaken or the context within which it is performed.
- Max Weber analysed the formation and administration of enterprises. The main features of this approach are as follows: (a) Division of work (b) Rules and regulations (c) Hierarchy of authority (d) Technical competence (e) Record keeping (f) Impersonal relations.
- The essence of the human relations theory finds in its primary emphasis on human beings, psychological motivations and informal group behaviour in contradistinction to the structuralist’s exclusive concern for principles of organization.

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- Maslow's 'needs hierarchy theory' is probably the most widely used theory of motivation in organizations. Maslow suggested that people have a complex set of exceptionally strong needs and the behaviour of individuals at a particular moment is usually determined by their strongest need.
- Every organization has certain objectives and goals to achieve and is structured on the basis of certain principles with a view to achieving these objectives. These principles are, therefore, known as the principles of organization, which are generally followed by every organization for the achievement of its ends.
- Unity of command means that each individual employee shall take orders from only one 'boss', and shall receive orders only from this superior. If he gets orders from more than one officer, it may become difficult for him to discharge his duties.
- By span of control, we mean the number of subordinates which an officer can effectively supervise. The problem of span of control is a natural outflow of the principle of scalar system. Scalar organization involves a number of tiers or steps one above the other, each step being headed by a single person.
- Authority is defined by Fayol as 'the rights to give orders and the power to exact obedience'. In the view of Allen, Authority is 'the sum of the powers and rights entrusted to make possible the performance of the work delegated'.
- The concept of the authority and responsibility are closely related to each other. For the efficient working of an organization, authority must be commensurate with responsibility, i.e., the employee must have sufficient authority to fulfil his responsibilities. Equal authority and responsibility is a time honoured principle.
- The concepts of centralization and decentralization are used to denote the administrative or management authority within an organization. Centralization is the concentration of authority in one place, while decentralization is greater dispersion of authority.
- A line is originated in the military. Line agencies are concerned with substantive functions of government and are primary and central at any as well as a larger organization.
- Management in some form or another is an integral part of living and is essential wherever human efforts are to be undertaken to achieve desired objectives. The basic ingredients of management are always at play whether we manage our lives or our business.
- Management, as a system, is not only an essential element of an organized society but also an integral part of life when we talk about managing our lives.
- Many management thinkers have defined management in their own ways. For example, Van Fleet and Peterson define management, 'as a set of activities directed at the efficient and effective utilization of resources in the pursuit of one or more goals.'

- Management is a problem solving process of effectively achieving organizational objectives through the efficient use of scarce resources in a changing environment.
- Folk management is also known as indigenous management, community-based management, and bottom-up management. It is a form of co-management where the local stakeholders participate in the different functions of management such as planning, research and development, management and policy making for the whole community.
- Administration is defined as a function of an organization concerned with policy – determination, co-ordination of finances, production, distribution and control of the executives required for establishing an organization.
- Administration is a top-level function while management is a bottom-level function. The fundamental point of distinction between these two aspects is that the former is the process of formulating policies and goals of the organization while the latter directs and guides the operational or functional aspects of the organization towards achieving the objectives set by the former.

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2.6 KEY TERMS

- **Management:** A set of activities directed at the efficient and effective utilization of resources in the pursuit of one or more goals.
- **Hierarchy:** The rule or control of the higher over the lower.
- **Administration:** A function of an organization concerned with policy – determination, co-ordination of finances, production, distribution and control of the executives required for establishing an organization.
- **Authority:** The rights to give orders and the power to exact obedience.

2.7 ANSWERS TO ‘CHECK YOUR PROGRESS’

1. One of the earliest works of Taylor was titled ‘A Piece Rate System’ that appeared in 1896. It is regarded to be an outstanding contribution to the system of wage payment.
2. The four types of supervision under Taylor’s theory are:
 - (i) Gang boss
 - (ii) Repair boss
 - (iii) Speed boss
 - (iv) Inspector
3. Henri Fayol (1841-1925) was an important classical theorist who observed that management was an undertaking common to all human activities. He enunciated certain basic concepts and principles of management and viewed management as a teachable theory dealing with planning, organizing, commanding, coordinating and controlling the work process.

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4. Two features of Max Weber's Bureaucratic Theory are:
 - **Division of work:** There is division of work on basis of specialization of jobs in bureaucratic organizations. Each employee performs his specialized work in a predictable manner.
 - **Record keeping:** Every decision and action is recorded in its original as well as draft form.
5. Two principles of a good organization are:
 - (i) There must be clear lines of authority running from the top to the bottom of the organization. This is known as the 'hierarchy' or the 'scalar principle'.
 - (ii) No one in the organization should report to more than one line supervisor. Everyone in the organization should know to whom they report, and who reports to them. This is the principle of 'unity of command'.
6. By span of control, we mean the number of subordinates which an officer can effectively supervise.
7. Authority is defined by Fayol as 'the rights to give orders and the power to exact obedience'.
8. Management is a set of activities directed at the efficient and effective utilization of resources in the pursuit of one or more goals.
9. Folk management is also known as indigenous management, community-based management, and bottom-up management. It is a form of co-management where the local stakeholders participate in the different functions of management such as planning, research and development, management and policy making for the whole community.
10. Three essentials of management are:
 - Scientific method
 - Human relations
 - Quantitative technique
11. The five primary functions of management are as follows:
 - (i) Planning
 - (ii) Organizing
 - (iii) Staffing
 - (iv) Directing
 - (v) Controlling
12. Ordway Tead has analysed the process of administration into distinct elements, which are:
 - Establishing the objectives of an organization
 - Formulating broad policies for an organization
 - Stimulating the organization
 - Evaluating the performance of an organization
 - Looking ahead

2.8 QUESTIONS AND EXERCISES

Short-Answer Questions

1. Describe Fayol's principles of organization.
2. Discuss the criticism of Taylor's theory.
3. Who were the contributors of the classical theory of management? Discuss briefly.
4. What do you understand by 'unity of command'?
5. Explain 'span of control' with examples.

Long-Answer Questions

1. Explain the human relations theory with examples.
2. Describe the principles of hierarchy. What are the merits and demerits of the scalar principle?
3. Discuss authority and responsibility in detail.
4. Explain the ways in which one can achieve effective coordination at workplace. What are the hindrances to effective coordination?
5. What is centralization? What are its implications?
6. Differentiate between centralization and decentralization.
7. Define management. Discuss the nature and scope of management.
8. Why is management required in organizations? Explain.
9. Discuss the process of management.

2.9 FURTHER READING

Mishra, S. N. 1979. *Politics and Leadership in Municipal Government*. Inter-India Publications. Delhi.

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UNIT 3 BUREAUCRACY AND PUBLIC ADMINISTRATION IN INDIA

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Structure

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 Bureaucracy: Max Weber and Karl Marx
- 3.3 Public Administration in the Age of Globalization
 - 3.3.1 New Public Management
- 3.4 Budget-making Process in India
- 3.5 Lokpal and Lok Ayukta
- 3.6 Summary
- 3.7 Key Terms
- 3.8 Answers to 'Check Your Progress'
- 3.9 Questions and Exercises
- 3.10 Further Reading

3.0 INTRODUCTION

In this unit, you will learn about Weberian and Marxian view of bureaucracy. Max Webber describes bureaucracy as a division of labour, authority structure, with roles defined for members and rules to guide activity. A bureaucratic apparatus is fundamental to the efficient functioning of all large organizations. According to Marx, bureaucracy is an essential feature of a capitalist society. In such a society, a small minority owns the forces of production.

In this unit, you will also learn about the impact of globalization on new public management (NPM). NPM is a management philosophy used by governments since the 1980s to modernize the public sector.

Further ahead in this unit, you will learn about budget and the budget-making process in India. An important component of the financial administration of a nation state is the budget. The term 'budget' has been derived from the term 'bougette', which in French means a leather bag. It came to be used in the form of a satire in 1733 called 'opened the budget'. Budget in contemporary times means those documents which contain the estimates of expenditures and revenues of the nation. In layman's term, budget is prepared to gauge the financial condition of the state.

Towards the end of this unit, you will be introduced to Lokpal and Lokayukta. You will also learn about the Jan Lokpal Bill in detail.

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3.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- Discuss Weberian and Marxian perspective of bureaucracy
- Describe public administration in the age of globalization
- Explain the budget-making process in India
- Discuss Lokpal and Lok Ayukta

3.2 BUREAUCRACY: MAX WEBER AND KARL MARX

Bureaucracy is a pyramidal hierarchy, which functions under impersonal, uniform rules and procedures, and is defined as a formal organization which has formal rules and departments to coordinate hierarchical areas of activities. Thus, in such a formal organization to look for an informal structure is to recognize how the relations within the bureaucracy are guided. While formal rules and close control mean reliability of bureaucracy, the very same stricture leads to lack of flexibility and an informal tendency to turn means into ends. The pyramidal structure, in fact, induces individual internalization, resulting in a goal displacement.

Informal structure within bureaucracy refers to the cliques, as recognized by American sociologist Melville Dalton, and the struggles of such cliques for gaining power and ensuring a greater share of organizational rewards. This clearly testifies to what extent the members of bureaucracy can come together on an informal level to consolidate and improve their position. Thus, cliques, lobbies and opinion-groups exist along with the formal hierarchy in bureaucracies, which account for the informal structure.

Main Characteristics of Bureaucracy

In small organizations, work may be done smoothly and efficiently through face-to-face communication. But this is not possible in large organizations with large number of employees and large-size clientele. Such large organizations are bound to take the help of bureaucracy.

The main characteristics of bureaucracy are as follows:

- **Hierarchy:** The officials in a bureaucratic organization are arranged hierarchically. In order of seniority, officials are placed in the organization—senior officials at the top and junior officials lower down the ladder. The file will move upward to the top for decision and once the decision is taken, the file is returned to the bottom, where the file has been initiated with order and instruction for implementation.
- **Duties defined:** The duty of each official is well-defined. He is conscious of his jurisdiction, and he will not go beyond it. He will be committing a mistake and inviting punishment if he crosses the area of his jurisdiction.
- **Specialization:** Although bureaucratic training produces generalists, they develop some amount of specialization in course of their work. When an

official works in a particular organization or department for some period, he gains expertise on it.

- **Discipline and harmony:** Each official in an organization has his specified duty and defined jurisdiction. He is not expected to cross into the jurisdiction of any other official. If all officials are bound by these norms and expectations, there will be discipline and harmony in the organization.
- **Attainment of a specific goal:** Talcott Parsons argues that one of the main features of bureaucracy is the primacy orientation to the attainment of a specific goal. Each department is assigned a specific goal, and all its members try to attain it.
- **Promotion:** The two factors influencing promotion are seniority and ability, or merit. Seniority should be rewarded in respect of promotion. But exclusive reliance on seniority for promotion would undermine efficiency. Like seniority, efficiency should also be rewarded. Promotion is an incentive to meritorious officials.
- **Training:** Civil servants are selected on the basis of merit, normally through competition. They are given intensive training both before service and during service.
- **Impersonalization:** Bureaucracy is characterized by impersonalization. Civil servants are rigid in their interpretation of rules and regulations. They are objective. The face of the client is immaterial. Decisions are taken in accordance with rules, and not on the basis of any personal consideration.
- **Secrecy:** Bureaucrats are adept at maintaining secrecy. They would not easily divulge official secrets. Weber said, 'the monarch imagines it is he who is ruling, when in fact what he is doing is providing a screen, behind which the apparatus can enjoy the privilege of power without control of responsibility'.

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Types of Bureaucracy

Bureaucracy is formed by environmental influences including social, cultural, economic and political factors. At different points of time in history, bureaucracy transformed on the basis of the socio-political influences. Morstein Marx categorized bureaucracy into four types as discussed below:

- (i) **Guardian bureaucracy:** Plato's guardians were considered to have the capacity to personify in their actions, the essence of public interest. They were considered the custodians of justice and welfare of the community. These guardians were selected on the basis of their educational background. This sort of bureaucracy existed in China before AD 960 and in Russia during AD 640–1740. The Chinese Government in those days used to conduct its business based upon Confucius' teachings of righteousness i.e., supposed to be a Platonic blueprint. Accordingly, the duty of Chinese officials is to demonstrate exemplary lifestyle. The selection was based on the scholastic achievements of officials who were trained in right conduct according to the classics. These guardians were expected to develop a moral fortitude and could exert influence upon the exercise of power subject to righteousness. The guardian bureaucracy is apt to idealize the absolute practices and thus

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become traditionalistic and conservative. Such bureaucrats are also likely to turn aloof from the affairs of the community and the day-to-day political problems. They turn absolute authoritarian and unresponsive to public opinion.

- (ii) **Caste bureaucracy:** This bureaucracy is an outcome of class connections of those in power. In this type of bureaucracy, the recruitment is made only from one class. A good example would be the situation prevalent in Indian bureaucracy, where persons belonging to a higher class/ caste are only drawn to the civil services, even the decision-making takes into account the 'caste consideration'. In olden days, only Brahmins and Kshatriyas could become high rank officials. In England, for example, aristocratic classes were preferred to the civil service positions. There is too much and too constant consciousness of rank, class, title and service membership, too little consciousness of membership in the public services in caste bureaucracy. Higher the intellectual resources of the bureaucracy, greater the likelihood of class or caste aspects, and social lines will be drawn between social groups. It has been observed that mobility of civil servants does not act as an antidote to caste mentality. Instead, the 'climber' is expected to conform to the mentality of the higher group. The civil services during the early Roman Empire, Japanese Civil Services under Meiji Constitution, French Civil Services in 1950s are examples of the caste bureaucracy.
- (iii) **Patronage bureaucracy:** This type of bureaucracy is also known as 'Spoils System'. Patronage here is seen as a means of political control. Under this system, the proteges of the ministers or the elected functionaries are nominated to the civil service. The public jobs are distributed as personal or political favours to their supporters. In England, before 19th century, the system sewed the aristocracy to gain entry into the civil services. In the United States, the traditional home of patronage bureaucracy, it was considered that no one person had more right to official status than the others and that was how the patronage was distributed. The system of patronage bureaucracy was condemned as it led to anachronism for its lack of competence, for its careless discipline, its concealed greediness, its irregular ways, its partisanship and for its absence of spirit of service.
- (iv) **Merit bureaucracy:** This type of bureaucracy is a response to the maladies of other three types of bureaucracies. In this bureaucracy, the recruitment is based on the qualifications, and the bureaucracy is governed by clear objectives and standards. After entry in civil service, status and stability are ensured. In modern times, merit bureaucracy puts strong emphasis on political control over the administrative system, a feature not found in other forms of bureaucracy. Due to its sense of rationality behaviour, this type of bureaucracy is preferred over the other three types.

Organization and Bureaucracy: A Weberian Perspective

All contemporary societies are essentially organizational societies in the sense that almost all our needs are met in organizational settings. If we look at any urban-area in India, either large or small, we can see how true the above statement is. Our babies in cities and towns are born in hospitals, educated in schools, subsequently

employed in governmental or private organizations, enrolled as members of professional or recreational organizations and myriad other associations.

As there is more specialized division of labour in society, organizations also increase in number and variety, each organization performing one or a few specialized function. In the interest of efficiency, these organizations must develop a hierarchy or authority and devise a system of rules designed toward the pursuit of a specific goal. Thus, a particular form of organization, known as bureaucracy, emerges. Bureaucratic organization is increasingly becoming defining characteristic of modern industrial society. Max Weber's analysis of bureaucracy is a pioneering study in this particular field in sociology. Weber's views on bureaucracy should be seen in the context of his General Theory of Social Action. It is Weber's thesis that every man gives some meaning to his conduct. Human action can, therefore, be understood and appreciated in terms of the meanings and motives which lie behind it. Weber identified four types of social action. These include:

- (i) Rational action in relation to a goal
- (ii) Rational action in relation to a value
- (iii) Affective or emotional action
- (iv) Traditional action

The classification of types of action governs, to a certain extent, the Weberian interpretation of the contemporary era. According to him, the characteristic of the world we live in is rationalization. For example, economic enterprise is rational, because it entails precise calculation of costs and careful weighing of the advantages and disadvantages of the various factors involved in the enterprise. So also is the control of the state by bureaucracy, in fact, society, as a whole tends towards goal-oriented organization. 'Bureaucratization is the prime example of this process. A bureaucratic organization has a clearly defined goal. It involves precise calculation of the means to attain this goal and systematically eliminates those factors which stand in the way of the achievement of its objectives. Bureaucracy is, therefore, rational action in an institutional form.

Bureaucracy is also a form of control. It implies a hierarchical organization in which there are superiors and subordinates with clearly defined responsibilities and powers. Some are required to issue orders and some others to carry put those orders. In a large-sized organization, there is also the need for coordination of activities of the organization. All these imply control of those in the lower ranks of the hierarchy by those in the higher. Such controls become effective as well as smooth, if there is a minimum of voluntary submission to higher authority. People voluntarily submit to authority when it is regarded as legitimate. Max Weber identified three forms of legitimacy, which derive from three kinds of social action. Thus, it can derive from traditional meanings. Legitimacy of this kind, which we may call traditional legitimacy, depends on belief in the sanctity of immemorial traditions and the right of those established of the strength of tradition in positions of authority to exercise it. Similarly, legitimacy can derive from ration meanings. Such legitimacy may be called rational legitimacy, which reflects belief in the legality of patterns of formative rules and the

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right of those people designated by the rules to exercise authority command. There is another type of legitimacy called charismatic legitimacy (so termed after the Greek word for grace), which depends on the devotion of followers to an individual who according to their perception, is endowed by exceptional sanctity, heroism or other personal qualities. Charismatic legitimacy, therefore, derives from affective or emotional action.

The **organizational structure** derives its form from the type of legitimacy on which it is based. While emphasizing this aspect, Max Weber observes as follows: 'According to the kind of legitimacy which is claimed, the type of obedience, the type of administrative staff developed to guarantee it and the mode of exercising authority will all differ fundamentally.' In order to understand bureaucracy, it is, therefore, necessary to take into account the type of legitimacy on which bureaucratic control is based.

The corresponding type of authority which emerges from his Typology is as follows: traditional authority, rational legal authority and charismatic authority. Weber, however, points out that none of these ideal types were to be found in a pure form in any historical instance. While analysing types of administrative organization, Max Weber selects the ideal-type of bureaucracy. It is based on rational-legal authority, which as the source of its legitimacy.

Weber brings out the following characteristics of a bureaucratic organization:

- As an organization, bureaucracy implies a continuous performance of official functions according to rules.
- Complex tasks of an organization are broken down into manageable parts with each official specializing in a particular area. For example, governmental functions are divided into various departments, such as health, education, agriculture, defence, etc. Within each department, every official has a clearly defined sphere of competence and responsibility. They are given the necessary authority to enable them to fulfil their duties.
- This authority is differentially distributed so that a hierarchy of official positions is formed, some officials having controlling and supervisory duties with respect to others.
- 'Bureaucratic administration', says Weber, 'means fundamentally the exercise of control on the basis of knowledge. This is the feature of it which makes it specially rational'. Certain specified qualifications are required of those who are to exercise authority. They are appointed according to their possession of formal qualifications, usually based on examinations.
- The bureaucrats do not own the means of production of administration. They are also not allowed to make use of their official position for private purposes. Official quarters or other perquisites which are occupied or enjoyed by the persons while in service cannot be appropriated by them after superannuation or termination of service.

- Acts of administrative kind are recorded in writing, thereby ensuring continuity and consistency of the administrative process.
- The officials are personally free agents. But they are required to act impersonally according to rules which define their specific spheres of competence. The activities of the bureaucrat are governed by the rules, not by personal considerations, such as his feelings towards colleagues or clients. His actions are, therefore, rational rather than affective.
- The bureaucrats are paid a salary, although this may be on a scale of pay, increments being given according to age and experience, and they are paid a pension after a fixed number of years of employment and at a given age.
- Normally, bureaucrats have no other employment, and at all times during their service career, the officials are subject to rules governing their conduct insofar it is related to their official duties.

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Bureaucracy: A Marxian Perspective

According to Max Weber, bureaucracy is a defining feature of an industrial society, irrespective of whether it is capitalistic or socialistic. The question as to who owns the means of production is not relevant. Marx, however, looks upon bureaucracy as an essential feature of a capitalist society. In such a society, a small minority owns the forces of production. Bureaucracy is a tool in the hands of this small minority to serve the interests of the ruling group. A socialist society, in which the forces of production are communally owned, can, therefore, dispense with bureaucracy in the form in which it prevails in a capitalist society. 'Lenin believed that after the dictatorship of the proletariat was established in the USSR in 1917, there would be a steady decline in state bureaucracy'. He was conscious of the fact that some form of bureaucracy was essential. But he wanted it to be remodelled on the lines suggested by Marx and Engels. One such proposal was that administrators would be directly appointed and subject to recall at any time. The second proposal was that the salary of the administrators would be at par with that of an ordinary worker. The third proposal was to simplify the work to a point 'where basic literacy and numeracy were sufficient for their performance'. Lenin visualized a state of affairs in which there might be a mass participation in administration, since all would possess the necessary skills to participate in the administrative process. Since every one could be a bureaucrat for a time, none would develop the bureaucratic style of functioning or the bureaucratic attitude.

Bureaucracy: A Critical Estimate

Robert K. Merton and Harry M. Johnson have pointed to certain sources of the dysfunctionality of bureaucracy. First, civil servants are inclined to lay excessive stress on rules and standard procedures. Rules are a means; they are meant to help the administration do justice and work smoothly. But obsession with rules makes them end in themselves. To quote Johnson: 'Undue attention to the rules may result in their being treated as ends in themselves, and the bureaucrat may at times lose

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sight of the practical purposes for which they are intended'. He further says, 'To the bureaucrat, a client is a routine case; but to the client himself his problem is unique, and to him the routine treatment may seem procrustean'. Merton says, 'as adherence to the rules originally conceived as a means becomes transformed into an end in itself, there occurs the familiar process of displacement of goals whereby an instrumental value becomes a terminal value'.

Second, some bureaucracies suffer from over centralization. If top officials monopolize decision-making, lower officials, instead of making any comments, just record relevant facts and pass on them to higher officials for decision. Decisions can be taken by lower officials if they are authorized to do that. As decisions are taken on all matters at the highest level, decision-making becomes unusually time-taking. Delayed decision is no decision, one may argue, and by the time a decision in this process reaches the client, he might have died. Over centralization would discourage lower officials from taking any initiative. They would develop a tendency to 'pass the buck' or to do nothing, even when they have the technical authority to act.

Third, many civil servants are 'over-bearing' or 'arrogant' in their dealings with clients. Sometimes, a civil servant may not have been arrogant in his dealing with the public, but his impersonal attitude is perceived as 'arrogance'. Further, there is the loss of morale in lower officials who feel that they are ill-treated by their superiors. This is particularly true of the military where ill-treatment of subordinate officials by their superiors is excessive.

Fourth, civil servants develop a defence mechanism of an informal order. They tend to stand united against any threat to their entrenched interests. They develop a sense of common destiny and an esprit-de-corps.

In an article entitled, *Bureaucratic Structure and Personality*, Merton observes that 'the very elements which conduce toward efficiency, in general produce inefficiency in specific instance, and that bureaucratic procedure may inhibit the realization of organizational goals'. Against the backdrop of these general observations, we may refer to specific weaknesses of bureaucracy as seen by Merton. First, the bureaucrats are taught to conform and to obey, not to improvise and explore alternative ways. This way of thinking is further strengthened by the tendency of bureaucrats to play safe, because disciplined action and conformity to official regulations are rewarded by promotions. This kind of self-interest prompts them not to deviate and make slight adjustments even when such actions are called for in terms of realization of organizational goals.

Second, the bureaucrats tend to follow scrupulously the formal procedure, however time-consuming it might be. In a hierarchical organization, files and papers move from one official to another at a snail's pace because observance of formal procedure involves delay. This is called bureaucratic '**red tape**', which stands in the way of providing efficient service to the clients of the organization.

Third, the emphasis on impersonal approach may lead to misunderstanding, and even friction, between the bureaucrats on the one hand and the clients on the

other. It is so particularly in an organization, whether public or private, which is primarily concerned with rendering some form of service to its clients. The business-like and impersonal manner of carrying out their duties might give a wrong impression about the bureaucrats. They will be seen by their clients as cold, unsympathetic and even arrogant. The organizational goal of establishing rapport with their clientele is thwarted thereby.

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CHECK YOUR PROGRESS

1. State any two main characteristics of bureaucracy.
2. What is patronage bureaucracy?
3. What is bureaucratic 'red tape'?

3.3 PUBLIC ADMINISTRATION IN THE AGE OF GLOBALIZATION

Globalization has been consistently responsible in changing the role and position of the nation-states, leading to a spread of global culture, which is characterized by global corporate dominance, global mass media and communication technologies. The conception of the welfare state is being overridden by a corporatist state due to the influence of the market forces. Concerns are also being raised about enhancing the capacity and effectiveness of administration. Globalization tends to affect the public administrative system as it is embedded in the state framework. Public administration is expected to promote public interest, but in course of time, many significant questions have been raised with regard to its capacity to deliver, many of its institutions have been subject to critical analysis. The collapse of the communist regimes, increase in public expenditure and taxation, dissatisfaction with the functioning of bureaucracy, etc., have strengthened the notion that the traditional state model has apparently failed to implement appropriate policies and deliver effective services. This inevitably led to the emergence of new public management with the far-reaching consequences in the areas of organization and institutionalization. Increasing significance is also being assigned to the policy prescriptions put forth by international organizations, such as the World Bank and the International Monetary Fund (collectively known as Bretton Woods Institutions).

Globalization is resulting in a multiplicity of linkages and interconnections between nation, states and societies that constitute the present world system. It is also a process by which events, decisions and activities in one part of the globe lead to significant consequences for individuals and communities in quite distant parts of the globe. In fact, Anthony Giddens defined it as *new and revolutionary* mainly due to the *massive increase* in financial and foreign exchange transactions, resulting in the global web of services, goods, technologies, ideas and processes. It is thus bringing about significant changes in the nature of the state, the government and the people as a community.

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However, globalization seems to have invoked mixed reactions from various quarters. Some consider it capable of fostering interdependence, spreading global capitalism, opening up societies, increasing avenues for restructuring economies and administrative system, while others are of the opinion that globalization is making developing countries reorient their policies in time with the global corporate power.

Globalization is also affecting the public administrative system. This is to a great extent due to the impact of pressure generated especially on developing countries by global institutions, IT and increasing concern over, efficiency and economy. The pressure exerted by global institutions is immense; a formalized institution with a global jurisdiction has authority and power over individual countries in a given policy area. This in many countries has resulted in people being devoid of any choice in determining their own priorities and policy preferences. Structural adjustment policies pursued by many developing countries have been considered as a negation of local democracy.

The globalization wave is bringing about an unprecedented expansion of trade, finance and investment accompanied by unparalleled technological innovations, and high levels of consumer demands and expectations. The deepening integration of economies and societies through improved communications and policy liberalization is broadly very positive in its effects and worth trying to preserve. It has brought in its wake historically unprecedented advances in living standards and wider opportunities for numerous individuals in both rich and poor countries. Deeper and wider economic integration has also brought about a plethora of problems, such as heightened exposure to internationally transmitted shocks and upheavals in financial markets, greater freedom of exchange of *bad*s as well as *good*s and growing pressure of economic activity on the global commons.

The impact of globalization on the economy is mixed, with benefits accruing due to competition along with negatives like economic crisis; weakened State, apparatus; propagation of market-oriented values; disruption of distribution of wealth leading to increasing levels of poverty, inequality and social crises with significant repercussions on development. According to Luke (1992), the new globalized public administration incorporates:

- Communication, computer technology and a global infrastructure
- Economics and the internationalization of trade, finance and technology transfer
- Natural resource interdependence in the biosphere

Studies indicate that the opening of countries' economies to competition has undoubtedly benefited the developed countries. Even developing countries are said to have achieved increase in economic growth, trade and investment, as well as expansion of domestic markets. The studies undertaken by the (OECD) 1998 also reveal that freer and more open market economies can bring both economic and social benefits to countries at all levels of development. Some of the potential benefits are as follows:

- Greater freedom of choice for individuals about what to buy and sell, and at what price; from where to obtain inputs; where and how to invest; and what skills to acquire
- Comparative advantages in world trade that allow individuals and businesses to prosper by using their resources to do well as compared to others
- Higher income to those employed in jobs producing goods and services for international markets
- Greater freedom for individuals to engage in specialization and exchange
- Lower prices and a greater availability of goods and services
- Opportunities to diversify risks and invest resources where returns are the highest
- Access to capital at the lowest costs
- More efficient and productive allocation of resources
- Greater opportunities for firms to gain access to competitive sources of materials and inputs
- Inward transfer of technology and know-how

Globalization is resulting in a transition from centrally-planned economies to market structures integrated with the global economy. This has an impact on the administrative framework—the functioning of state machinery along with the acquiring of new skills, capabilities and transformation in peoples’ mind-set to adjust to the new environment. The nature and processes of public administration have been severely affected by the changing perceptions of the role of the state, the market-driven approach to development, and the movement towards a synergy between the government, market and civil society.

Globalization—propagating economic integration and technological change—is pushing the state towards adherence to certain global standards and behaviours, while internal social and political pressures are attempting to assert the role of the state and its powers in protecting the interests of the governed. The state is undergoing a transformative phase and as a corollary its impact on public administration has also been multi-dimensional.

Globalization is leading to the marketization of administration, dismantling of large bureaucratic structures, introduction of flexible production systems, lessening of control on public goods by the nation-state and the favouring of a government guided by market phenomena. It has seemed apparent that the institutions, mechanisms and processes of public administration are inappropriate and ineffective in being able to respond in prompt, satisfactory, flexible and innovative ways in tune with the changing scenario. A welfare state and a highly planned bureaucratic system focused attention on the overarching paradigm that produced the negative conceptualization of the *heavy hand* of the state. The welfare state was criticized as being:

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- Unresponsive but all pervasive which fostered citizen dependence rather than self sufficiency (invasive state)
- Encompassing over time and unable to carry out functions and responsibilities effectively (over-extended state)
- Controlled by elite groups that used the state to serve their own interests rather than public interest (private interest state)

A powerful new paradigm of limited government action that was dominant in western democracies held the view that the government should:

- Do less
- Reduce or relinquish its previous overburdening responsibilities
- Privatize public services or their delivery wherever practicable
- Reform their own operations in accordance with the market concepts of competition and efficiency

These beliefs in *governments by the market* rest upon the premise that the market system is inherently a better method of satisfying human wants and aspirations than taking recourse to government.

Public administration, traditionally speaking, has always had the major obligation of adhering to the rule of law-promoting public interest-assuring equity, representativeness and responsiveness to the citizens. This model, termed as new public management, aims at making public administration market base, and committed to the three primary goals of economy, efficiency and effectiveness. New public management has condemned traditional public administration as a failure. Globalization appears to be a major factor in stirring the debate reinventing public administration. Cerny (1994) considers: 'Globalization has caused state policies to converge on a more liberal, deregulatory approach because of the changing structural character of the international system, its greater structural complexity and inter-penetrativeness; which, in turn, transforms the changing position of states themselves within that system.' The result is the emerging globalized nature of public administration. This is based on a number of structural adjustments or readjustments that have been taking place around the globe. The readjustments have been in the form of redefining the scope and boundaries of the public and private sectors, of administrative reforms or civil service reforms, of organizational re-configuration and many others.

3.3.1 New Public Management

The field of public administration has been rife with debate about new public management (NPM). This has been like a reform agenda that ushered in globally in the last two decades and is the outcome of several changes embedded in the social as well as political context in the Western democracies. Interpretations of the emergence of new public management are split; the proponents of the movement present it as a new administrative paradigm that departs sharply from past thinking and practice, whereas its opponents argue that it has evolved incrementally from the past administrative traditions.

The current reform agenda in public administration can be traced to several worldwide trends. First, and perhaps most significant, the social political and economic

dialogue in industrialized countries underwent a rightward shift during the late 1970s and early 1980s, as political leaders recognized the unsustainable nature of comprehensive, centralized systems of public service delivery. Leaders in Europe, Asia and North America started to examine more cost-efficient, effective ways of providing public services including public welfare, transportation health care and others. The fiscal challenges brought on by the changing nature of the global economy prompted scholars and practitioners to explore new ways of thinking about public administration.

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The major driving factors have been the consequences of the overloaded welfare state and the resultant costs arising out of it that prompted the tax-payers to question the rationale of the public sector. The resulting dissatisfaction with the welfare state led to the *New Right Economics* that formed the ideological basis for change. Therefore, by the early 1990s, many public managers around the world, using slogans like reinvention and new public management, embarked on a journey to restructure bureaucratic agencies, streamline agency processes and decentralize policy decision making. The pro-market ideology that had reigned supreme since the 1980s, argued that the government is less efficient than markets in providing services to individuals. The new political economy (NPE) of development is based on the market emphasis on the following:

- Downsizing of the state
- Deregulation and withdrawal
- Privatization of not only commercial entities but also institutions providing public good and merit goods
- Progressive taxation
- Involvement of other non-profit organization in social welfare

The set of reforms referred to by some as first generation reforms aimed at introducing managerialism in the public sector. The proponents of new public management argue that it has brought benefits of cost efficiency and service effectiveness to public and non-profit management, and it has helped to address fundamental weakness in the management and in the system of accountability and control in public services.

Essentially speaking, it would be ideal here to identify the major emerging concerns of new public management and understand how it all began. Everyone understands that both management and public administration are applied sciences, and it has been universally accepted that most maxims, principles, guidelines and dictums of efficiency, economy and effectiveness have emanated from the writings of the management thinkers and they are adopted and adapted by the scholars of Public administration in their distinctive intellectual ambience. Currently, there seems to exist only *one paradigm* in the discipline of public administration, and it is perhaps new public management.

This paradigm of new public management that emerged on the heels of the movements of *Re-inventing Government* (1992) is how the entrepreneurial spirit is transforming the public sector. When we closely examine the sub-title of the book, *Re-inventing Government* by Ted Gaebler, it is evident that both Gaebler and *David*

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Osborne were *describing* what was already evident on the administrative scene. Hence, they were not essentially prescriptive but primarily descriptive while highlighting the presence of entrepreneurial governments. Truly, the movement of managerialization of the government had started even before this monumental volume was published. Writings of these and other scholars had already appeared in 1980s (*and even earlier*) which highlighted the need for adopting in an effective manner the sound management practices in government systems. One is reminded of what was happening about nine decades ago when the Taft Committee was appointed to transplant Taylorism into the government system. Little wonder, certain scholars have branded New Public Management as Neo-Taylorism. Even if we avoid a debate on, *Neologism* like *Neo-Taylorism*, it must be contended that public administrative organizations have liberally borrowed, models and modes from its more vibrant sister discipline, Management.

A historical perspective would reveal that bureaucracies throughout the world have rarely responded effectively to environmental challenges on their own. They have generally lagged behind the times. In 1968 itself, when Dwight Waldo was organizing the first Minnowbrook Conference, Peter Drucker had come out with his perceptive volume, *The Age of Discontinuity*, which made a prescient analysis of the incompetence of bureaucratic government. One can even see this exasperation with the strait-jacketed bureaucratic system in the writings of Harold Laski, Warren Bennis, Robert Reich, Tom Peters and Alvin Toffler and others. It is ironical that remedies to bureaucratic ailments have been offered more by scholars of management than by the wise men of public administration. But what goes to the credit of public administration scholars is their alacrity and competence to imbibe and incorporate the pertinent and the precious thing from any other discipline and mould it as per their own intrinsic agenda and ambience. New public management is only one such manifestation of this resilience of public administration.

The Organization for Economic Cooperation and Development (OECD) believes that through New Public Management, public sector is being made more managerial; the introduction of a more contractual, participative and discretionary style of relationship between levels of hierarchy, between control agency and operating units, and between producing unit, be they public or private. According to the OECD, most countries are following two broad avenues to improve production and delivery of goods in services in public organizations. These two avenues are:

1. Raise the production performance of public organization to improve the management of human resources including staff, development, recruitment of qualified talent and pay-for-performance; involve staff more in decision-making and management; relax administrative controls while imposing strict performance targets; use information technology; improve feedback from clients and stress service quality; bring supply and demand decisions together (e.g., through charging users).
2. Make greater use of the private sector to promote a dependable, efficient, competitive and *open public procurement system* for contracting out production of publicity provided goods and services and contracting, in

intermediate goods and services and end monopoly or other protection for suppliers.

In sum, the OECD view on New Public Management involves the following aspect of administrative management:

- Improving human resource including performance pay
- Encouraging the participation of staff in the various stages of decision making, relaxing control and regulations, yet prescribing and ensuring the achievement of performance targets
- Using information technology to an optimum level in order to make MIS, more effective and enrich policy and decisional systems
- Providing efficient services to clients and treating them as customers and even as members of the organization
- Prescribing user charges for services in order to make the customers as more integral part of the public sector management
- Contracting out services as a part of the privatization plan
- De-regulating mono policies and de-concentration of economic power among various organizations

Briefly, the most common attributes of new public management include the following:

- Focus with greater stress on results, rather than procedures
- Encouragement to strengthen professional management
- High standards and measures of performance
- Greater emphasis on output controls
- Increase in de-centralization of business decisional power
- Greater acceptance in the public sector on adoption of private sector style of management practices, discipline and parsimony
- Promotion to accountability, progressive leadership and greater understanding between political leadership and the public
- Added responsibility of managers for results
- Gradual decrease in the size of government

Over the years, there has been one important shift in the thinking of new public management. In the early stage of entrepreneurial government, there was stress on de-governmentalization and privatization which was sometimes called downsizing or right sizing. The government was expected to be lean and mean but now once again, it has been recognized that the imperatives and inevitability of government's role and responsibility as a crucial facet of national life cannot be undermined. For developing countries particularly, the role of government in engineering socio-economic change and bringing about goal-directed progressive multi-dimensional development is likely to remain supreme. Therefore the contemporary emphasis is not on less government but on better government. This is where the value of sound managerial practices has permeated the field of public administration.

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A question arises as to why the scholars of public administration have not resisted the *onslaught* of a *new public management* on their discipline. Perhaps, it is primarily because of the fact that howsoever new-fangled *new public management* might appear to be, it has its organic linkages with *old public administration*. Accordingly, one can surmise that traditional administrative and managerial theories which emphasized efficiency, effectiveness and economy have assumed a new form as integral components of new public management. The difference, of course, found in the goals of the administrative systems in two divergent settings, but then new public management is not so much concerned with the goals of public administration, as with the strategies to achieve them. In this context, it ought to be appreciated that while the foremost concerns of new public administration has been with the goals, values and the spirit of public administration, new public management, on the other hand, is principally interested in the structure and style of public administration. There are certain elements of new public management that are perceivable in new public administration and vice versa. Essentially, both are complementary to each other.

CHECK YOUR PROGRESS

4. How does globalization impact economy?
5. According to the OECD, what are the two broad avenues to improve production and delivery of goods in services in public organizations?

3.4 BUDGET-MAKING PROCESS IN INDIA

In the words of Harold R. Bruce, 'A budget is a financial statement prepared in advance of the opening of a fiscal year, of the estimated revenues and proposed expenditure of the given organization for the ensuing fiscal year.'

In the words of Dimock, 'A budget is a financial plan summarizing the financial experience of the past stating a current plan and projecting it over a specified period of time in future.'

In the words of Rene Stown, 'Budget is a document containing a preliminary approved Plan of Public Revenue and expenditure.'

According to Munro, 'Budget is a plan of financing for the incoming fiscal year. This involves an itemized estimate of all revenues on the one hand and all expenditure on the other.'

According to Rene Gaze, 'The Budget in a modern state is a forecast and an estimate of all public receipts and expenses and for certain expenses and receipts an authorization to incur them and collect them.'

According to Tayler, 'Budget is a financial plan of Government for a definite period.'

As Wilne puts it, 'Budget is a detail of estimated revenues and expenditures- a comparative chart of revenues and expenditures- and over and above this is an

authority and direction of the competent authority given for collection of revenues and expenditure of public money.’

Thus, on the basis of these definitions we can sum up these significant features of budget:

- Budget is an account for the proposed expenditures as well as the expected revenues.
- Budget requires an authority who sanctions it.
- Budget is usually annual. In any case it has to be for a certain period of time.
- Budget also puts forward a particular process through which the whole administration and collection of expenditures and revenues has to be carried out.

Kinds of Budgets

The budgets can be of different types. Their classification being based on certain principles which are as follows:

- The estimated period to be covered
- The numbers of budget that are to be announced in legislature
- The kind of method to be adopted
- The financial position which is depicted through the budget
- The classification of revenues and expenditures

Hence, on the foundation of the above mentioned principles we can propose five types of budgets illustrated in Figure 3.1.



Fig. 3.1 Types of Budgets

A. Single budgets vs. Plural budgets

In most countries the method of preparing a single budget is used. One single budget is made where all the estimates regarding all the departments get covered. The reason behind preparing a single budget is an argument that the financial position and standing of the government gets revealed this way. This also makes the job of the government easier as the government knows beforehand the surplus and deficits of all the departments and thus can make necessary adjustments, balancing the whole budget. This saves the government from complex adjustments and calculation

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to be performed at a later stage. This system is used in Germany, Switzerland, to name two.

India however has the method of plural budgets as two budgets are prepared. The two departments for which these budgets are made separately are:

- Administrative departments
- Commercial enterprises

In India, making a separate budget for the Railways was in practice since 1921. This was initiated on the recommendations of the Acworth Committee. Another example is the budget for Damodar Valley Corporation which is laid before the legislatures of Bengal and Bihar.

B. Surplus, Deficit and Balanced budgets

If the approximate revenues are in excess of the approximate expenditure, the budget is called a surplus budget. Similarly, a deficit budget is one where the expected expenditure is in excess of the revenues approximated. Clearly deficit budget shows that the country is progressing in the right direction as the economists have pointed out. When the approximate revenues and expenditures are almost equal and at par, it is called a balanced budget. Usually, all budgets are deficit.

C. Departmental Budgets and Performance Budgets

In a departmental budget, the expenditures as well as the revenues concerned under it are collected under one roof. In the case of performance budget, the budget proposed for any particular project gets divided under various programmes on the basis of activities and functions related to that particular project. For instance, if there is a project regarding education, the division could be on the basis of primary, senior secondary and higher secondary.

D. Cash Budgets/Revenue Budgets

In cash budgets, there is an estimate of various forms and expenditures and incomes on the basis of amount that is to be spent or received in one year. In case of revenue budget, the amounts are attributed in the budget whether or not they actually spent or received in the form of expenditure and revenues in one single year. Cash budgets are prepared in countries like India and USA. Cash budgeting is done in countries like France along with other continental nations.

The Process of Long-term Budgeting

Public budgeting usually is, and has been, annual. The legislature can, thus, have a closer look and can control governmental activities. This in no way means that the government does not want or needs to take a look into the future planning and, therefore, the annual budget has to be proposed with a vision for the future. Long-term budgeting is imperative. So in reality long-term budgeting is not an actual budget for a certain time period but a process of making provisions for the future and making annual budgets accordingly. This process includes the following steps:

- Determining and estimating the requirements of the nation, for the coming years and a plan to meet those requirements.

- Exploring the sources of raising revenue-taxation, borrowing, savings, etc.
- Preparing a programme that is balanced as well as one which contains all the features mentioned and required for development in the proposed period. Also, the programme should be flexible so that modifications can be made accordingly.
- Implementation of improvement projects.
- Incorporating a portion of long-term budget within the annual budget and getting it passed through the legislature.

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Social and Economic Implications of Budget

The philosophy of 'laissez-faire' is used to govern and administer the activities in a state. Budget was not that important earlier and was merely a medium of management for state finances. These philosophies have changed in contemporary times, as it is an industrial age and prosperity, progress and welfare of a nation has to be looked upon by the government under complex circumstances. Thus, the significance of preparing a budget that suits the welfare of the society is vital for the state. The kind of objectives both social and economic which need to be realized are as follows:

- Increase in production
- Addressing inequalities of income and wealth distribution
- Taking care of inflation which may be caused through a variety of circumstances such as war or natural calamity
- Another goal which should be realized by the government is securing of full employment

Production can be increased through protecting the industrial and agricultural sectors and allowing subsidies.

Inequalities in distribution of wealth and income can be addressed through imposing taxes on people with large incomes. The income thus earned can be used in providing social services such as health and education, and houses for the poor sections of society.

Similarly, inflation which is caused because of issuing vast amount of paper money, especially during war times can be fought by heavy taxation and borrowing money which in turn curtails the purchasing power. This method, however, is criticized and thus needs to be implemented with care and only during emergency.

Preparation of a Budget

It may be mentioned that there is no single budget for the entire country. States have their own budgets, as the Indian Constitution is federal. Even at the Union level, there are two budgets.

Types of Budget

- (i) The General Budget
- (ii) The Railway Budget

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The general budget is one of the greatest democratic instruments of growth. It helps bridge the economic disparities among different communities and sectors and helps take a step forward towards a more inclusive development. It contains the following documents: *Key to Budget, Budget Highlights, Budget Speech, Budget at a Glance, Finance Bill Memorandum Receipt, Budget Expenditure, Budget Customs and Central Excise Implementation of Budget Announcements, The Macro Economic Framework Statement, The Medium Term Fiscal Policy Statement, The Fiscal Policy Strategy Statement and The Outcome Budget.*

The Railway Budget was separated from the General Budget in 1921. The advantage of this arrangement is, first, that a business approach to the railway policy is facilitated, and, secondly, the railways, after paying a fixed annual contribution to the general revenue of the country, can keep their profits for their own development.

The separation of the railway budget from the general budget is justified by India's Railway Board on Railways for 1924–25. The Board observes:

The new procedure (the separation of railway finance from the general finances) has already resulted in a definite improvement in the railway outlook, and while the general revenues are now assured of a stable annual return from railway, the Railway Board is enabled to carry out a continuous policy of improvements based on upon the responsibility for obtaining a fixed dividend coupled with an assurance of adequate funds for any operation which will secure such dividend. They have the further security that surpluses will be available for railway purposes and particularly for building up reserves and a depreciation fund.

The institution of a separate railway budget enabled the railways to develop a coherent railway policy in the country.

Role of Finance Ministry in Budget Formulation

The Ministry of Finance, dealing with the financial business of the Government, has overall responsibility for framing the budget. The Finance Minister is the steward of the nation's purse. It is his paramount duty that the national finances are conducted prudently and efficiently. The Finance Ministry, responsible for raising necessary revenues for the State, must have a predominant voice in determining the amount, and, in some degree, the character of the expenditure. The Financial Rules of the Union Government confer the financial powers upon the Ministry of Finance. This arrangement has been envisaged under Article 77(3) of the Indian Constitution, which authorizes the Union President to make rules for conducting the business of the Union Government. The Finance Ministry is responsible for the preparation of the Annual Financial Statement (i.e., the Budget), for piloting it through Parliament, for supervising its execution by the various departments, for collection of revenue, and for giving financial control generally. This position the Finance Ministry did not always enjoy. Its control over other Ministries/Departments grew only gradually – it was, to be sure, resented in the beginning by other members of the Governor General's Council on the ground of departmental autonomy and prestige. The gradual development of popular control over government and that of parliamentary government strengthened the position of the Finance Department. The Montfort

Reforms of 1919 that provided for financial control by the Finance Department over other Departments, the constitution of the Public Accounts Committee of the Legislature and the appointment of Comptroller and Auditor General to scrutinize and audit the accounts of the Departments went in the direction of enhancing the power and prestige of the Finance Department.

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Organizations Involved in Budget Preparation

In the preparation of budget estimates for the ensuing financial year in India (the financial year commences on April 1, and ends on March 31) four different organs are involved:

- (i) The Finance Ministry
- (ii) The Administrative Ministries
- (iii) The Planning Commission
- (iv) The Comptroller and Auditor General

The Finance Ministry has the overall responsibility for the framing of the budget, but it is the administrative ministries which have the detailed knowledge of administrative requirements. For incorporating the plan priorities in the Budget, the Finance Ministry has to be in close touch with the Planning Commission. Also, the Comptroller and Auditor General come into the picture since it is they who provide the accounting skills necessary for the preparation of the estimates.

The work in connection with the preparation of the budget estimated begins 6 to 8 months before the commencement of the next financial year. The initiative comes from the Finance Ministry which dispatches a circular to the various administrative Ministries and departments, asking them to start preparing estimates of expenditure. The general rule is that he who spends the money must also prepare estimates for it. The 'skeleton forms' are supplied wherein the estimates and the other requisite information have to be filled in. The administrative ministries, in turn, pass on these printed forms to the disbursing officers, i.e., the heads of offices (e.g., Deputy Commissioners in districts). These disbursing officers prepare the estimates on the prescribed form.

Budget Estimate for the year

Each form contains columns for the following:

- (a) Actual figures of the previous year
- (b) Sanctioned estimates for the current year
- (c) Revised estimates for the current year
- (d) Budget estimates of the next year
- (e) Actual of the current year available at the time of preparation of the estimates and actual for the corresponding period of the previous year.

The estimates of the coming year are made on the basis of the following criteria:

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- (a) The revised estimates of the current year
- (b) The 12 months' actual report of the last and previous years
- (c) Any recognizable regularity in past year's figures
- (d) Any special circumstances causing variations

The estimates prepared by the disbursing officers are then sent to the head of the department in two parts. Part I relates to revenue and standing charges. Part II is further subdivided into two categories. In the first category they figure those items which are continuing from year to year. The second category relates to entirely fresh items.

The head of department consolidates the estimates for the whole department after such review and revision as may be considered necessary. The estimates from the various departments are, then, sent to the Administrative Ministry where in the light of its general policy they are subjected to a scrutiny. These estimates are, then, passed on to the Budget Division of the Ministry of Finance, by the Administrative Ministry sometime in the middle of November.

The searchlight of the Budget Division in the Finance Ministry is turned on these estimates sent by the Administrative Ministry. Its scrutiny is, to be sure, different in character from that of the latter (the Administrative Ministry). It does not go into the policy of the expenditure – this is, in the main, the responsibility of the administrative Ministry itself. It is mainly concerned with economy and has to keep the demands of the several administrative Departments/Ministries within the funds available to the Government. Its scrutiny is from the financial point of view, i.e., of economy and availability of funds. In carrying out this function, the Finance Ministry does not behave as an expert on the numerous proposals involving expenditure. It 'possesses a traditional expertise in criticism and cross-examination, born of a long experience but continuously brought up-to-date. Subject to that, its attitude is somewhat that of an intelligent layman.

It asks such questions as:

- Is the proposed expenditure really necessary?
- How have we so long done without it? Why now?
- What is done elsewhere?
- What will it cost and from where to finance?
- Who will go short as a consequence of it?
- Are new developments likely to render it necessary?

It may be mentioned here that this painstaking scrutiny is applied only to the proposals for new expenditure. For the rule is that no proposals for new or increased expenditure, for any department, can be incorporated in the budget without the concurrence of the Ministry of Finance. The administrative ministries should not get more funds than they really need in face of the limited resources available with the government.

Budget Approval

As the position stands, the Finance Ministry passes the demands of the several administrative ministries, calls for the justification of expenditure, and fixes a net figure for each Ministry. It may be borne in mind that neither the Finance ministry nor the Finance Minister is an autocrat in these matters; the imperative demands of the Five Year Plan, the policy decisions of the Cabinet, the current conditions in the country – all these must find a reflection in the budget and, to the degree, restrict the Finance Minister's say. The Finance Ministry closely looks into all proposals that impose a new, or an increased, charge on the Government.

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Classes of Charges

New charges are of the following two classes:

- (i) Grants for purchases, constructions, etc.
- (ii) Grants for establishment

Big purchases or construction, like the atomic energy reactor in Bombay, are undertaken with the concurrence of the Cabinet. Evidently, the Finance Ministry's control in regard to inclusion of such charges in the budget may appear to be somewhat restricted. But it watches closely the establishment proposals involving extra expenditure. In case the Minister in charge of the expenditure department disagrees with the Finance Ministry's stand, he may take the matter to the Cabinet, whose decision binds all individual members. If the member feels strongly over the matter and cannot reconcile himself to the decision of the Cabinet, he is free to resign. The Finance Minister's position in the Cabinet is peculiarly a strong one; the Cabinet must give special weight to his views at any rate especially when the expenditure at stake is of a significant dimension. A former Finance Minister's pronouncement, albeit in a different context, that 'a Finance Minister can function adequately only from a position of strength and not from one of weakness,' is a pointer in this direction.

Special Powers to Finance Ministry

The Finance Ministry is endowed with control over the estimate of the spending ministries. Two reasons may be given for this. In the first place, the Finance Ministry is not itself a spending ministry and can, therefore, act as the disinterested guardian of the taxpayers' interests. In the second place, this Ministry has to find out ways and means to meet the proposed expenditure; logically, thus, it must have a say in determining whether it should be incurred or not. To quote the words of the Haldane Committee, '....If he (the Finance Minister) is to be held responsible for filling the reservoir and maintaining a certain depth of water in it, he must also be in a position to regulate the outflow.' The Finance Ministry's predominant position vis-à-vis the spending ministry has, of late, come in for criticism on a number of grounds. It is useful to note the following observation made by Appleby:

'Under the present system, 'schemes' or projects of various kinds are presented to the Finance Ministry throughout the year, some for an early clearance and apportionment of funds, some as a hostage to later budgets.' These schemes are usually not much more than policy ideas; they are almost never actually administrative

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expenditure and nor the expenditure projections ready for serious consideration as such. Their shortcomings are the primary occasion for most of the delay and confusion now rather erroneously charged against the Finance Ministry. As time for making the budget is approached, all these schemes on a file are examined, some are selected, and these, in addition to normal 'establishment' expenditures, become the budget of a particular ministry. All schemes remaining in the file have been approved in principle. Those not actually included in the budget remain in the file, and may be activated in any subsequent year or at any time within a year. Years after they were first submitted and approved in principle, some or another may suddenly be activated, although by that time the original rough estimates of cost and even important elements in the scheme, may be wholly outmoded.

'This whole system requires the agencies to submit many schemes they have little hope of being able to put into action. It establishes a pattern of poor cost estimates and poor budgeting which, in turn, are justifications for a detailed financial intervention.'

'There is another element in the picture that deserves much attention. The Ministers, knowing that Finance will reduce their requests, are given too loose and extravagant estimates of cost. They are given positive encouragement to do this. When a particular Ministry submits a tightly estimated project, Finance complains: 'You put us in a difficult position by making it so hard for us to reduce your figures.' Actually a tight and sound estimate should be encouraged in every way possible, and endorsed by quick and unmodified approval. Conversely, the loose estimate should be over-penalized. The primary responsibility for Finance should be 'to encourage and to stimulate good budgeting in the agencies and its whole review should be based upon sampling analysis which constitutes a search for poor budgeting; if the sample reveals a good budgeting, the request should be given maximum approval.'

Implementation of the Budget

It is a cardinal principle that no taxation can be levied and no expenditure incurred, without the prior approval of the Parliament. The journey of the Budget, or the 'Annual Financial Statement', through Parliament, is a vital part of the process.

Various Stages to Go Through

In Parliament, it goes through the following five stages:

- (i) Presentation to the Legislature
- (ii) General Discussion
- (iii) Voting on Demand for Grants
- (iv) Consideration and passing of the Appropriation Bill
- (v) Consideration and passing of the Taxation Proposals, that is, the Finance Bill

Same procedures followed for Railway Budget

Besides the General Budget ('the Annual Financial Statement'), there is also, the Railway Budget, separated from the former as early as 1921.

Same procedures govern both the budgets. The Railway Budget is regularized by Rule 134 of the Rules of Procedure and Conduct of Business in Parliament, which makes provision for the submission of budget in two or more parts, each part to be dealt with in the same manner as if it were a budget. The Railway Budget precedes the General Budget.

Parliamentary Provisions

The powers of Parliament in respect of the enactment of the budget are enshrined in the Constitution itself. The relevant Articles are 112 to 117 of the Constitution. The following provisions in this respect may be worth noting:

- (i) No demand for a grant shall be made except on the recommendation of the President.
- (ii) No proposal relating to expenditure can be brought without the recommendation of the President.
- (iii) Parliament cannot increase a tax though it is empowered to reduce or abolish it.
- (iv) 'Charged' expenditure upon the Consolidated Fund of India shall not be submitted to the vote Parliament, though it is subject to discussion.
- (v) Parliament cannot amend the Appropriation Bill in a way as to have the effect of varying the amount, or altering the destination, of any grant or of varying the amount of any 'charged' expenditure.
- (vi) Powers of the Rajya Sabha are quite restricted in financial matters. Voting of demands for grants is the exclusive privilege of the Lok Sabha. In the passing of the Finance Bill as well, the Rajya Sabha has severely limited powers in that it must give its concurrence, with or without any recommendation, within fourteen days. The Lok Sabha may accept or reject any or all of these recommendations. The Finance Bill, however, does not go again to the Upper House; it is submitted to the President for assent. For the first time, in 1977, the Rajya Sabha made some changes in the Finance Bill. But the Lok Sabha reasserted its supremacy by rejecting these changes and adopting the Finances Bill in its original form.

The Budget – a statement of the estimated receipts and expenditures of the Government of India' for the financial year – distinguishes the estimates of expenditure lodged upon the Consolidated Fund of India from those made from the Consolidated Fund of India. The 'charged' expenditure includes the salaries and allowances of certain high officials, debt charges, certain pensions, sums required to satisfy any judgment, decree or award of any court or arbitral tribunals, etc. This part of the total (i.e., the charged expenditure) is not subjected to the vote of Parliament, though it can be discussed. The underlying idea of keeping away the salaries and allowances of the President, Judges of the Supreme Court, Speaker, Deputy Speaker, Chairman and Deputy Chairman of the Upper House of Parliament, Comptroller and Auditor General of India, from the influence of the vote is to reinforce their independence and remove them from the sphere of party politics. Debt charges, certain pensions,

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sums required to satisfy any judgment, etc., of a court or arbitral tribunal are, inevitably, of fixed nature, and can, accordingly, suffer no reduction or alteration.

Budget Speech

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The Finance Minister presents the budget to the Lok Sabha on the last working day of February. This he does with the speech known as the Budget speech. The budget is laid before the Rajya Sabha at the end of the Budget speech in the Lower House. After the presentation of budget in Parliament, the latter passes vote-on-account, excess demands for grants. Vote-on-account varies from two to more months for the new financial year. Along with the annual financial statement (namely the budget) to Parliament, the Finance Minister submits the following five documents:

- (i) Key to Budget Documents
- (ii) Budget at a Glance
- (iii) Receipts Budget
- (iv) Expenditure Budget
- (v) Memorandum explaining the processes in the Finance Bill

General Discussion of the Budget

A discussion does not immediately follow the presentation of the budget. This occasion comes after a few days when a general discussion of the budget takes place. At this stage, which usually lasts for two or three days, the Lok Sabha discusses the budget as a whole on any question of principle involved therein. Details of the budget are, however, not discussed. There is no voting, nor are cut motions allowed. General discussion of the budget is a hang-over of the past when Indian Legislature could just air its grievances without any right of voting. Under the new dispensation, it serves some purposes – the members have an opportunity to discuss revenue estimates, the ways and means of programme of the government, and what is perhaps the most important purpose, the ‘charged’ expenditure. To the government, this stage provides a foretaste of the feelings of the House on budget proposals for taxes as well as expenditure. At the end of the debate, the Finance Minister makes a general reply, rebutting, as is to be expected, the various charges made by the members.

Parts of Budget Session

For convenience, the budget session has being broken down into two parts. The first part begins with the presentation of the railway and the general budget. The General Budget is presented on the last working day of February. March 21 is the last day for the first part of the budget session. Both Houses then adjourn for a month’s recess to allow departmentally related standing committees to discuss demand of grants of individual ministers. The House meets again to pass the Budget.

After the approval of demands for grants by the Lok Sabha, a Bill is introduced to provide for the appropriation of money required to meet the grants. This is Appropriation Bill. A debate precedes the passing of the Appropriation Bill. The

enactment of the Appropriation Bill completes the parliamentary authorization of the government expenditure.

Having authorized expenditure, Parliament must then approve the raising of the required revenue. This is done through the parliamentary approval of the Finance Bill. There is a discussion on the Finance Bill, and even at this stage, the Finance Minister may announce certain concessions. The budget is approved with the passing of the Finance Bill. One must thus note that the entire initiative in 'financial matters' rests with the Executive.

Demands for Grants

It is pertinent to repeat here that no demand for a grant shall be made except on the recommendation of the President, and, further, the Lok Sabha shall have power to assent, or to refuse to assent, to any demand, or to assent to any demand subjected to a reduction of the amount specified therein. This means that the honourable members can only reduce or reject the proposed items of expenditure. In practice, they may not do even this because of the majority behind the Cabinet. Cut motions are, accordingly, symbolic; they just provide the honourable members with a stick with which to 'beat' the government. A criticism of the government is the main plank of the discussion, at the end of which Minister in charge of the subject makes a general reply to the criticism rebutting the charges and assuming the removal of the grievances pointed out by the members. At the end, the demand is put to vote. A demand becomes a grant after it has been duly voted.

A somewhat longer discussion of several demands for grants has been made possible since the introduction of a vote on account. The financial year begins on April 1, but Parliament continues discussing the budget even after the inauguration of the new financial year. Will not, therefore, the new year open without any financial provisions for it? It is precisely this contingency which the device of the vote on account wards off. A vote-on-account is an advance. Grant made by Parliament in respect of the estimated expenditure for a part of the ensuing financial year, pending the regular passage of the budget.

Execution of the Budget

The execution of the Budget is the responsibility of the executive government, and therefore, the distribution of power within the executive government determines the procedure for the execution of the Budget. Efficient execution depends upon the extent to which financial control combines operational freedom and flexibility with accountability for performance.

Role of Ministry of Finance

Traditionally, Indian financial system has been highly centralized. The overall control for financial management has been exercised by the Ministry of Finance. As an instrument for carrying out the financial policies of the government, the Ministry of Finance used to supervise the spending authorities by checking over their expenditure at three stages: (a) approval of programmes or policies in principle; (b) acceptance

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of provision in the budget estimates; (c) prior concurrence to incurring of expenditure subject to such powers as may have been delegated to the administrative Ministries/ Departments. At present, under the system of Integrated Financial Advisor, most of these responsibilities devolve on the spending authorities.

Composition of Executive Government for Discharging its Responsibility in Execution of Budget

The machinery which the executive government has devised for discharging its responsibility is composed of: (i) existence of controlling officers; (ii) a system of competent authorities who issue financial sanctions; (iii) a system of drawing and disbursing officers; and (iv) a system of payments, receipts and accounts. Ordinarily, the head of the Ministry/Department acts as the controlling officer in respect of that part of the Budget with which the Ministry/Department is concerned. When the Appropriation Act is passed, the Ministry of Finance advises spending Ministries/ Departments about their respective allocation of funds. The controlling officers then distribute and advice about the money sanctioned to the various disbursing officers, restricting the expenditure of the latter to the amount advised by the former. It is the duty of the controlling officers to exercise continuous vigilance over recurrent and anticipated expenditure with a view to ensuring that the amounts so placed at their disposal are sent on the specified purposes and are not exceeded without additional funds being obtained in time.

Until recently, payments were made through the treasury system which also had the responsibility to compile primary accounts which were collected and adjusted by the various Accountants General. The departmental accounts were periodically reconciled with that of the AG. Banks are also being increasingly used for payments. At the centre, Pay and Accounts offices have been created in various departments to make payments and compile accounts.

The controlling officers keep track of the progress of expenditure in their respective Ministry/Department. The monthly reports of the various spending departments are compiled by the Ministry of Finance to assess the ways and means. The progress of expenditure is periodically reviewed. The first review is made sometime in September based upon four months' actuals. The second and third are made in December and January. The latter is based upon the expenditure of nine month's actuals. These are done to approach the Parliament for Supplementaries/ Departments. The overall responsibility regarding the execution of the Budget as an exercise of overall control of the Budget performance rests with the Ministry of Finance.

Factors which Influence the Execution of Budget

The execution of the Budget rests on the (i) proper collection revenues; (ii) proper distribution of funds. The Department of Revenue in the Ministry of Finance has an overall control and supervision over the machinery charged with the collection of direct and indirect taxes. Such control is exercised through the Boards of Taxes, namely, Central Board of Excise and Customs (CBEC) and the Central Board of Direct Taxes (CBDT). These Boards exercise supervision and control over the

various administrative authorities who exercise powers conferred upon them to implement different taxation laws. The network of treasuries and nationalized banks are engaged in the collection (receipt), custody and disbursement of funds.

CHECK YOUR PROGRESS

6. Define budget.
7. Which are the different kinds of budgets?
8. What is a general budget?

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3.5 LOKPAL AND LOK AYUKTA

The Administrative Reform Commission (ARC) submitted a particular provisional report on 'Problems of Redressal of Citizen's Grievances' in 1966. In the report, the ARC suggested the establishment of two authorities elected as 'Lokpal' and 'Lokayukta' for citizen's grievances redressal. These institutions were set up on the patterns of the institution of Ombudsman in Scandinavian countries and the Parliamentary Commissioner for Investigation in New Zealand.

The Lokpal would deal with complaints against ministers and secretaries at Central and State levels, and the Lokayukta, one at the Centre and one in every state, would deal with the complaints against other specified higher officials. The ARC kept the judiciary outside the purview of the Lokpal and Lokayukta as in New Zealand. But, in Sweden the judiciary is within the purview of Ombudsman.

According to the ARC, the appointment of the Lokpal is mainly done by the President after the consultation with the Chief Justice of India, the Speaker of the Lok Sabha and the Chairman of the Rajya Sabha.

Features of the Lokpal and Lokayukta

The salient features of the 'Lokpal' and 'Lokayukta' specially recommended by the Administrative Reform Commission (ARC) are as follows:

1. The 'Lokpal' and 'Lokayukta' should be demonstrably impartial and independent.
2. The analysis and the proceedings of the 'Lokpal' and 'Lokayukta' should be done privately and should also be informal in nature.
3. The appointment of 'Lokpal' and 'Lokayukta' to the maximum should be non-political.
4. In the country, the status of the 'Lokpal' and 'Lokayukta' should be compared with the highest judicial functionary.
5. There should not be any judicial interference in the proceedings of 'Lokpal' and 'Lokayukta' functions.
6. The 'Lokpal' and 'Lokayukta' should handle the matters in the discretionary field involving acts of favouritism, corruption, and injustice.

7. From the executive government, the 'Lokpal' and 'Lokayukta' should not look for any kind of benefits, profits or pecuniary advantage.

Bills of Lokpal

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There were a series of Lokpal bills introduced in the Parliament. The Government of India accepted the recommendations of the ARC in general terms. The lists of bills introduced in the Parliament in different years are illustrated in Figure 3.2.



Fig. 3.2 Lokpal Bills Included in the Parliament

A Bill known as the Lokpal and Lokayuktas Bill, 1968, was introduced in Lok Sabha in May, 1968. After a consideration of the Bill by a Joint Committee of the two Houses, it was passed by the Lok Sabha on August 20, 1968 and was sent to the Rajya Sabha for consideration. The Bill, however, lapsed due to the early dissolution of the fourth Lok Sabha in December 1970.

A fresh Bill on the same subject was introduced in the Lok Sabha on August 11, 1971. But for some unknown reasons, there was a delay and, in the mean time, the entire nation faced a severe turmoil with the deceleration of National Emergency in June 1975. This obviously put an end to the introduction of any such democratic institution as the Lokpal or the Lokayukta.

In March 1977, the 6th general election took place which established an altogether new leadership under Morarji Desai who headed a combination of all opposition parties under the name of Janta Party. The Janta Party had promised to set up the Lokpal and the Lokayukta as a major move with a view to eliminating corruption. In July 1977, the Janta Government introduced the new Lokpal Bill which, for some unknown reasons, could not be passed.

Quite a few years had passed since the Lokpal Bill was first introduced in the Lok Sabha in May, 1968. Naturally, both the Congress and the Janta Government

were faced with some basic hurdles in the way of introducing such an Ombudsman like institution in India. The question, likely to be raised, was whether such an institution could really accord with our system of Ministerial responsibility. By the introduction of such an institution, it began to be argued, two fundamental bases of the parliamentary form of government are directly challenged.

First, the Prime Minister and the other Central Ministers are political appointees and can be held accountable only to a political body like the Parliament consisting of their 'elected masters'. It implies that Ministers can reasonably be expected to accept only political punishment for their official acts of commission and omission. Any investigation of their official conduct by any other institution, no matter how powerful it is, will be the negation of the principle of Ministerial responsibility. No person, not even a Minister, can remain responsible for his official conduct to two different bodies at the same time.

Secondly, the parliamentary system of government has accepted the principle of civil service anonymity and neutrality. It implies that the Minister is held responsible for the misdeeds of his subordinate, i.e., the permanent officials. The public official is thus protected from public fury and attack. He is only subject to departmental investigation and punishment. Under the proposed Ombudsman setup, high officials will also be subject to investigation, condemnation and punishment if they are found guilty by the ombudsman.

When Rajiv Gandhi became the Prime Minister in the year 1984, he received the entire matter of Lokpal and on August 26, 1985, the Lokpal Bill was again introduced in Lok Sabha. But in 1985 Lokpal Bill, the President, the Vice-President, the Prime Minister, the Speaker of the Lok Sabha, and all the Chief Ministers were kept outside the purview of the Lokpal.

The matters were again reviewed during the Prime Ministership of V.P. Singh and the Bill, known as Lokpal Bill, 1990 was passed in the Lok Sabha. The Bill brought all officers, including the Prime Minister, within the ambit of the law. However, the entire matter was suddenly nullified with the fall of the National Front Government at the Centre in November, 1990. The Chandra Sekhar Government was too short-lived to take up the matter. The Congress government of P.V. Narsimha Rao did not show any special interest in the matter.

Exasperated by the delaying tactics of the parliamentarians and the political executives in creating the institution of a Lokpal, H.D. Shourie, Director, Common Cause (An NGO), presented a civil writ petition in 1994 before the Supreme Court. This public interest litigation, filed under Article 32 of our Constitution prayed for a writ of certiorari or any other writ, order or direction, directing the Union Government of India to specifically declare when they will bring before the Parliament an appropriately draft bill for the enactment of the legislation for introducing the system of Lokpal in the country.

In 1998-99, the NDA government under the Prime Minister of A.B. Vajpayee introduced the Lokpal Bill. The Bill was accepted in 2001. Regarding the objectives of the Lokpal Bill, it was categorically stated that the main objective of the Lokpal Bill was 'to offer for the development of the institution of Lokpal to find out into

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contention of corruption against the functionaries of public and for matters connected therewith'. In 2004, UPA-I did not make any attempt to bring the bill. In the beginning 2014, the Lokpal bill was finally passed.

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Jan Lokpal Bill

The Jan Lokpal Bill which is also known as the Citizen's Ombudsman Bill is an anti-corruption bill initiated by well-known civil society activists who demand the appointment of an independent body or Jan Lokpal that will not only investigate corruption cases but will complete their investigation within a year. In case a trial takes place after investigation, the courts should pass judgment within a year of the trial. The Jan Lokpal Bill has been drafted by the following:

1. Justice Santosh Hedge, former Supreme Court judge and former Lokayukta of Karnataka.
2. Prashant Bhushan, Supreme Court lawyer
3. Arvind Kejriwal, RTI activist

According to the draft, the bill envisions a political system, where a person found guilty of corruption will be imprisoned within two years of the complaint made against him. The bill also demands that the proscribed property and wealth of the corrupt person is to be confiscated. The Jan Lokpal Bill also seeks to empower itself to prosecute politicians and bureaucrats without government permission. Retired IPS officer Kiran Bedi, Swami Agnivesh, Sri Sri Ravi Shankar, Anna Hazare and Mallika Sarabhai are some of the renounced members of IAC or 'India Against Corruption' movement. This has also been described as a citizen's movement demanding strong anti-corruption laws. They suggest that the Lokpal bill was introduced in the Indian Parliament on numerous occasions since 1968, however it was never passed. The official website of IAC describes its movement as 'an expression of collective anger of people of India against corruption.' It further goes on to describe their fight against corruption. 'We have all come together to force/request/persuade/pressurize the government to enact the Jan Lokpal Bill. We feel that if this bill was enacted it would create an effective deterrence against corruption.'

It is due to the people's protests and the efforts of veteran social activist Anna Hazare who fasted until the government relented. Within four-days of him fasting, the government agreed to set a joint committee with equal number of members from the government and the civil society to draft a Lokpal bill. Both sides met on several occasions, however, a consensus could not be reached. Factors like Prime Minister under the purview of Lokpal were matters of disagreement. Eventually, both sides drafted their own Lokpal bills.

The principal objections to government's proposal are as follows:

1. The Lokpal will not have power to initiate suo moto action in any case, nor will they receive complaints of corruption from general public. If the public has any issue with a politician, bureaucrat or any other government servant, they will forward their complaints to the Lok Sabha Speaker or the Rajya Sabha Chairperson. The Lokpal is only authorized to investigate those cases

which have been forwarded by the Lok Sabha Speaker or the Rajya Sabha Chairperson. According to IAC, this severely restricts the cause of Lokpal. It not only provides a tool in the hand of the ruling party to select cases and then forward only a few of them to Lokpal, it also provides protection to corrupt politicians.

2. The government's proposal demotes the position of the Lokpal to merely an advisory body, where Lokpal will investigate the matter and forward the report to a competent authority. The chosen competent authority has the final say whether action is to be taken on the Lokpal's report or not. In the case of Prime Minister and MPs, the competent authority is the Lok Sabha or Rajya Sabha, whereas in the case of cabinet ministers, the Prime Minister is the competent authority. Keeping the upper hand in decision-making, the Lokpal structure will be totally weakened. It has been seen that the Indian government is basically a coalition government which thrives on the support of its political partners. This would make it difficult for the Prime Minister to prosecute any of his cabinet ministers.
3. The IAC finds the government's version of the Lokpal bill legally unsound. Since the Lokpal has not been given police powers, the Lokpal cannot register an FIR. Therefore, all enquiries conducted by the Lokpal will be defined as 'preliminary enquiries.' The government's Lokpal bill also does not mention details in case a Lokpal report is accepted. Questions which remain unanswered are as follows:
 - (i) Who will file the chargesheet in court?
 - (ii) Who will initiate prosecution?
 - (iii) Who will appoint the prosecution lawyer?
 - (iv) The role of CBI has not been clearly demarcated in this bill. It is not clear whether CBI and Lokpal will investigate the same case or will CBI lose the power to investigate politicians. If the latter is true, then the main objective of this bill is to completely insulate politicians from any investigations whatsoever, which in these days is only possible through CBI.
4. If any complaint filed is found to be frivolous or false, then the Lokpal will have the power to send the complainant to jail on the basis of a summary trial. However, if the complaint is found to be valid and true, then the Lokpal will not have the power to send the guilty person to jail. IAC view this as a threat and discouragement to those fighting against corruption.
5. Lokpal will only have the power of jurisdiction on MPs, ministers and the PM. However, their power of jurisdiction is curtailed when it comes to the ranks of officers. It has been noted that officers and politicians do not indulge in corruption separately. In any case of corruption, there is always an involvement of both of them. According to the government, each and every case needs to be investigated by both CVC (Central Vigilance Commission) and Lokpal. So now in each case, CVC will look into the role of bureaucrats while Lokpal will look into the role of politicians. Since the case records will

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be with one agency and it is a known fact that the government functions in such a way that it does not share its records with other agencies. One outcome may also be that two agencies come up with completely opposite conclusions. Therefore, killing the case in the process.

6. According to the government's version of Lokpal, it will consist of three members, all of them being retired judges. There is no reason why the membership of the Lokpal needs to be confined to the judiciary. The IAC believe that the government is creating numerable post-retirement positions for judges, making judges vulnerable to government influences right before retiring as it has been seen in the case of retiring bureaucrats. The retiring judges, in the hope of getting post retirement employment would do the bidding of the government in their last few years.
7. The selection committee comprises of the Vice President, Prime Minister, leaders of both houses of parliament, opposition leaders in both houses of parliament, law minister, and home minister. Besides the Vice President, the Lokpal is permitted to investigate the remaining politicians. This leads to a direct conflict of interest. It has been observed that the select committee is influenced by the ruling party and favours it immensely. Since the ruling party makes the final selections, it will never appoint a strong and effective Lokpal.
8. Lokpal will also not have the power to investigate any case against the Prime Ministers which deals with foreign affairs, security and defence. Therefore, corruption in defence deals will not be scrutinized by the Lokpal. This is a major handicap, if something like the Bofors episode occurs in future.

Salient features of the Jan Lokpal Bill

1. The institution of Lokpal to be set up at the centre and a similar institution called Lokayukta to be set up at the state level.
2. The Lokpal and Lokayukta will function independent of the government like the Election Commission and Supreme Court and therefore no politician or bureaucrat will be able to influence it.
3. Cases against corrupt officials to be cleared within two years of the complaint- one year for investigation and one year for trial.
4. Recovery of loss funds caused to the government by a corrupt official
5. If the system does not complete a citizen's work in the prescribed time, it will penalize the guilty officials and this amount will be transferred to the citizen as compensation.
6. A person may approach the Lokpal, in matters pertaining to the issuance of voter cards, passports or ration card and also if police are not registering their complaints then Lokpal will have to get it done within a month's time. A citizen may also report any incidents of corruption like hoarding of ration, quality of roads being constructed or siphoning of official funds. Lokpal will need to complete investigations within a year and the trial should take not more than another year, so that the guilty can be jailed within two years of the complaint being filed.

7. The functioning of the Lokpal and Lokayukta will be completely transparent. The Lokpal officials will be appointed by the judges, citizens and constitutional authorities and not by politicians.
8. In circumstances where an appointed Lokpal official becomes corrupt, then he will also be prosecuted in the same manner as any other corrupt official. After investigation, if a Lokpal official is found guilty then he will be terminated within two months.
9. In case of existing anti-corruption agencies, the CVC, departmental vigilance and anti-corruption branch of the CBI will be merged into the Lokpal and the Lokpal will have complete powers and machinery to independently investigate and prosecute any judge, officer or politician.
10. The Lokpal will also be responsible to provide protection to those citizens who are being victimized for raising their voice.

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Lokayukta

While the Central Government was still debating the establishment of the institution of Lokpal, many states have already set up the institution of Lokayuktas. According to Donald C. Rowat, 'India has the most populous Ombudsman jurisdiction in the world'. Table 3.1 gives the details of the establishment of the institutions of Lokayukta in various states in India.

Table 3.1 Establishment of Lokayukta in Various States

Serial No.	States	Enacted in
1.	Andhra Pradesh	1983
2.	Bihar	1974
3.	Gujarat	1986
4.	Himachal Pradesh	1983
5.	Karnataka	1985
6.	Maharashtra	1971
7.	Orissa	1970
8.	Rajasthan	1973
9.	Madhya Pradesh	1981
10.	Punjab	1995
11.	Uttar Pradesh	1975

Orissa was the first state to create the institution of Lokayuktas at the State level in 1970. It was then followed by Maharashtra in 1972, Rajasthan in 1973, Bihar in 1974, Uttar Pradesh in 1975, Karnataka in 1979, Madhya Pradesh in 1981, Andhra Pradesh in 1983, Gujarat in 1986, and Punjab in 1995. Two other states where the institution of Lokayukta was created are Assam and Himachal Pradesh. In 1995, the Chief Minister of the National Capital Territory of Delhi announced that his government was in the process of introducing a Bill on the subject.

In 1992, Orissa abolished its Lokpal, but the institution was again established in 1994. There are, however, some variations in the structure of the institution in different states. In very few states like Orissa and Punjab, the official is designated as Lokpal, though it goes against the pattern as suggested by the Administrative Reform Commission. In some states there is a provision for Lokayukta as well as Uplokayukta, though the post of Uplokayukta may have been lying unfilled for a

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long time, as in the case in Rajasthan. But there is no such provision for the appointment of a Uplokayukta in Himachal Pradesh, Uttar Pradesh and Bihar.

There are many states which have not yet joined the ombudsman movement. They are satisfied with their variations of the conventional models. For example, Kerala has created a three-man commission under the Kerala Public Men's Corruption Commission, 1984, whose members are all appointed by the Governor on the advice of the Chief Minister, the Chief Justice, and the leader of the opposition. By 'Public Man', Kerala legislation implies a wide range of people including the Chief Minister, Ministers, MLAs, members of local bodies and University syndicates, the State Transport Authority, Regional Transport Authorities, people in the managing committees of private colleges and schools and even political party officials.

Characteristics of Lokayukta

- The Lokayukta presents, annually, to the governor of the state a consolidated report on his performance.
- The governor places this report along with an explanatory memorandum before the state legislature.
- The Lokayukta is responsible to the state legislature.
- He takes the help of state investigation agencies for conducting enquiries.
- He can call for relevant files and documents from the state government departments.
- The recommendations made by the Lokayukta are only advisory and not binding on the state government.

The Lokpal and Lokayuktas Bill, 2013

Excerpts from the Bill:

PART I

Preliminary

1. (1) This Act may be called the Lokpal and Lokayuktas Act, 2013.
(2) It extends to the whole of India.
(3) It shall apply to public servants in and outside India.
(4) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

PART II

Lokpal for the union

CHAPTER I

Definitions

2. (1) In this Act, unless the context otherwise requires,-
 - (a) "bench" means a bench of the Lokpal;
 - (b) "Chairperson" means the Chairperson of the Lokpal;

- (c) “competent authority”, in relation to-
- (i) Prime Minister, means the House of the People;
 - (ii) a member of the Council of Ministers, means the Prime Minister;
 - (iii) a member of Parliament other than a Minister, means-
 - (A) in the case of a member of the Council of States, the Chairman of the Council; and
 - (B) in the case of a member of the House of the People, the Speaker of the House;
 - (iv) an officer in the Ministry or Department of the Central Government, means the Minister in charge of the Ministry or Department under which the officer is serving;
 - (v) a chairperson or members of any body or Board or corporation or authority or company or society or autonomous body (by whatever name called) established or constituted under any Act of Parliament or wholly or partly financed by the Central Government or controlled by it, means the Minister in charge of the administrative Ministry of such body or Board or corporation or authority or company or society or autonomous body;
 - (vi) an officer of any body or Board or corporation or authority or company or society or autonomous body (by whatever name called) established or constituted under any Act of Parliament or wholly or partly financed by the Central Government or controlled by it, means the head of such body or Board or corporation or authority or company or society or autonomous body;
 - (vii) in any other case not falling under sub-clauses (i) to (vi) above, means such Department or authority as the Central Government may, by notification, specify:

Provided that if any person referred to in sub-clause (v) or sub-clause (vi) is also a Member of Parliament, then, the competent authority shall be-

- (A) in case such member is a Member of the Council of States, the Chairman of the Council; and
- (B) in case such member is a Member of the House of the People, the Speaker of the House;
- (d) “Central Vigilance Commission” means the Central Vigilance Commission constituted under sub-section (1) of section 3 of the Central Vigilance Commission Act, 2003;
- (e) “complaint” means a complaint, made in such form as may be prescribed, alleging that a public servant has committed an offence punishable under the Prevention of Corruption Act, 1988;
- (f) “Delhi Special Police Establishment” means the Delhi Special Police Establishment constituted under sub-section (1) of section 2 of the Delhi Special Police Establishment Act, 1946;
- (g) “investigation” means an investigation as defined under clause (h) of section 2 of the Code of Criminal Procedure, 1973;

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- (h) “Judicial Member” means a Judicial Member of the Lokpal;
- (i) “Lokpal” means the body established under section 3;
- (j) “Member” means a Member of the Lokpal;
- (k) “Minister” means a Union Minister but does not include the Prime Minister; (l) “notification” means notification published in the Official Gazette and the expression “notify” shall be construed accordingly;
- (m) “preliminary inquiry” means an inquiry conducted under this Act;
- (n) “prescribed” means prescribed by rules made under this Act;
- (o) “public servant” means a person referred to in clauses (a) to (h) of sub-section (1) of section 14 but does not include a public servant in respect of whom the jurisdiction is exercisable by any court or other authority under the Army Act, 1950, the Air Force Act, 1950, the Navy Act, 1957 and the Coast Guard Act, 1978 or the procedure is applicable to such public servant under those Acts;
- (p) “regulations” means regulations made under this Act;
- (q) “rules” means rules made under this Act;
- (r) “Schedule” means a Schedule appended to this Act;
- (s) “Special Court” means the court of a Special Judge appointed under subsection (1) of section 3 of the Prevention of Corruption Act, 1988.
 - (2) The words and expressions used herein and not defined in this Act but defined in the Prevention of Corruption Act, 1988, shall have the meanings respectively assigned to them in that Act.
 - (3) Any reference in this Act to any other Act or provision thereof which is not in force in any area to which this Act applies shall be construed to have a reference to the corresponding Act or provision thereof in force in such area.

CHAPTER II

Establishment of Lokpal

- 3. (1) On and from the commencement of this Act, there shall be established, for the purpose of this Act, a body to be called the “Lokpal”.
- (2) The Lokpal shall consist of-
 - (a) a Chairperson, who is or has been a Chief Justice of India or is or has been a Judge of the Supreme Court or an eminent person who fulfils the eligibility specified in clause (b) of sub-section (3); and
 - (b) such number of Members, not exceeding eight out of whom fifty per cent shall be Judicial Members:

Provided that not less than fifty per cent of the Members of the Lokpal shall be from amongst the persons belonging to the Scheduled Castes, the Scheduled Tribes, Other Backward Classes, minorities and women

- (3) A person shall be eligible to be appointed,-
 - (a) as a Judicial Member if he is or has been a Judge of the Supreme Court or is or has been a Chief Justice of a High Court;

- (b) as a Member other than a Judicial Member, if he is a person of impeccable integrity and outstanding ability having special knowledge and expertise of not less than twenty-five years in the matters relating to anti-corruption policy, public administration, vigilance, finance including insurance and banking, law and management.

CHAPTER V

Expenses of Lokpal to be charged on Consolidated Fund of India

13. The administrative expenses of the Lokpal, including all salaries, allowances and pensions payable to or in respect of the Chairperson, Members or Secretary or other officers or staff of the Lokpal, shall be charged upon the Consolidated Fund of India and any fees or other money taken by the Lokpal shall form part of that Fund.

CHAPTER VIII

Powers of Lokpal

25. (1) The Lokpal shall, notwithstanding anything contained in section 4 of the Delhi Special Police Establishment Act, 1946 and section 8 of the Central Vigilance Commission Act 2003, have the powers of superintendence and direction, over, and to give direction to, the Delhi Special Police Establishment in respect of the matters referred by the Lokpal for preliminary inquiry or investigation to the Delhi Special Police Establishment under this Act:

Provided that while exercising powers of superintendence or giving direction under this sub-section, the Lokpal shall not exercise powers in such a manner so as to require any agency (including the Delhi Special Police Establishment) to whom the investigation has been given, to investigate and dispose of any case in a particular manner.

- (2) The Central Vigilance Commission shall send a statement, at such interval as the Lokpal may direct, to the Lokpal in respect of action taken on complaints referred to it under the second proviso to sub-section (1) of section 20 and on receipt of such statement, the Lokpal may issue guidelines for effective and expeditious disposal of such cases.
- (3) Any officer of the Delhi Special Police Establishment investigating a case referred to it by the Lokpal, shall not be transferred without the approval of the Lokpal.
- (4) The Delhi Special Police Establishment may, with the consent of the Lokpal, appoint a panel of Advocates, other than the Government Advocates, for conducting the cases referred to it by the Lokpal.
- (5) The Central Government may from time to time make available such funds as may be required by the Director of the Delhi Special Police Establishment for conducting effective investigation into the matters referred to it by the Lokpal and the Director shall be responsible for the expenditure incurred in conducting such investigation.
26. (1) If the Lokpal has reason to believe that any document which, in its opinion, shall be useful for, or relevant to, any investigation under this Act, are secreted in any place, it may authorise any agency (including the Delhi Special Police Establishment) to whom the investigation has been given to search for and to seize such documents.

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- (2) If the Lokpal is satisfied that any document seized under sub-section (1) may be used as evidence for the purpose of any investigation under this Act and that it shall be necessary to retain the document in its custody or in the custody of such officer as may be authorised, it may so retain or direct such authorised officer to retain such document till the completion of such investigation:

Provided that where any document is required to be returned, the Lokpal or the authorised officer may return the same after retaining copies of such document duly authenticated.

27. (1) Subject to the provisions of this section, for the purpose of any preliminary inquiry, the Inquiry Wing of the Lokpal shall have all the powers of a civil court, under the Code of Civil Procedure, 1908, while trying a suit in respect of the following matters, namely:-
- (i) summoning and enforcing the attendance of any person and examining him on oath;
 - (ii) requiring the discovery and production of any document; (iii) receiving evidence on affidavits;
 - (iv) requisitioning any public record or copy thereof from any court or office;
 - (v) issuing commissions for the examination of witnesses or documents:

Provided that such commission, in case of a witness, shall be issued only where the witness, in the opinion of the Lokpal, is not in a position to attend the proceeding before the Lokpal; and

- (vi) such other matters as may be prescribed.
- (2) Any proceeding before the Lokpal shall be deemed to be a judicial proceeding within the meaning of section 193 of the Indian Penal Code.
28. (1) The Lokpal may, for the purpose of conducting any preliminary inquiry or investigation, utilise the services of any officer or organization or investigating agency of the Central Government or any State Government, as the case may be.
- (2) For the purpose of preliminary inquiry or investigating into any matter pertaining to such inquiry or investigation, any officer or organization or agency whose services are utilised under sub-section (1) may, subject to the superintendence and direction of the Lokpal,-
- (a) summon and enforce the attendance of any person and examine him;
 - (b) require the discovery and production of any document; and
 - (c) requisition any public record or copy thereof from any office.
- (3) The officer or organisation or agency whose services are utilised under sub-section (2) shall inquire or, as the case may be, investigate into any matter pertaining to the preliminary inquiry or investigation and submit a report thereon to the Lokpal within such period as may be specified by it in this behalf.

29. (1) Where the Lokpal or any officer authorised by it in this behalf, has reason to believe, the reason for such belief to be recorded in writing, on the basis of material in his possession, that-
- (a) any person is in possession of any proceeds of corruption; and
 - (b) such person is accused of having committed an offence relating to corruption;
 - (c) such proceeds of offence are likely to be concealed, transferred or dealt with in any manner which may result in frustrating any proceedings relating to confiscation of such proceeds of offence, the Lokpal or the authorized officer may, by order in writing, provisionally attach such property for a period not exceeding ninety days from the date of the order, in the manner provided in the Second Schedule to the Income-tax Act, 1961 and the Lokpal and the officer shall be deemed to be an officer under sub-rule (e) of rule 1 of that Schedule.
- (2) The Lokpal or the officer authorised in this behalf shall, immediately after attachment under sub-section (1), forward a copy of the order, along with the material in his possession, referred to in that sub-section, to the Special Court, in a sealed envelope, in the manner as may be prescribed and such Court may extend the order of attachment and keep such material for such period as the Court may deem fit.
- (3) Every order of attachment made under sub-section (1) shall cease to have effect after the expiry of the period specified in that sub-section or after the expiry of the period as directed by the Special Court under subsection (2).
- (4) Nothing in this section shall prevent the person interested in the enjoyment of the immovable property attached under sub-section (1) or sub-section (2), from such enjoyment.

Explanation.-For the purposes of this sub-section, "person interested", in relation to any immovable property, includes all persons claiming or entitled to claim any interest in the property.

CHAPTER XIV Offences and penalties

46. (1) Notwithstanding anything contained in this Act, whoever makes any false and frivolous or vexatious complaint under this Act shall, on conviction, be punished with imprisonment for a term which may extend to one year and with fine which may extend to one lakh rupees.
- (2) No Court, except a Special Court, shall take cognizance of an offence under sub-section (1).
 - (3) No Special Court shall take cognizance of an offence under sub-section (1) except on a complaint made by a person against whom the false, frivolous or vexatious complaint was made or by an officer authorised by the Lokpal.
 - (4) The prosecution in relation to an offence under sub-section (1) shall be conducted by the public prosecutor and all expenses connected with such prosecution shall be borne by the Central Government.

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- (5) In case of conviction of a person [being an individual or society or association of persons or trust (whether registered or not)], for having made a false complaint under this Act, such person shall be liable to pay compensation to the public servant against whom he made the false complaint in addition to the legal expenses for contesting the case by such public servant, as the Special Court may determine.
- (6) Nothing contained in this section shall apply in case of complaints made in good faith.

Explanation.-For the purpose of this sub-section, the expression “good faith” means any act believed or done by a person in good faith with due care, caution and sense of responsibility or by mistake of fact believing himself justified by law under section 79 of the Indian Penal Code shall have the same meaning assigned to it in section 52 of the Indian Penal Code.

47. (1) Where any offence under sub-section (1) of section 46 has been committed by any society or association of persons or trust (whether registered or not), every person who, at the time the offence was committed, was directly in charge of, and was responsible to, the society or association of persons or trust, for the conduct of the business or affairs or activities of the society or association of persons or trust as well as such society or association of persons or trust shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

- (2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a society or association of persons or trust (whether registered or not) and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such society or association of persons or trust, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

CHECK YOUR PROGRESS

9. State any two salient features of ‘Lokpal’ and ‘Lokayukta’ as recommended by the Administrative Reform Commission (ARC).
10. What is Jan Lokpal Bill?
11. State any two salient features of the Jan Lokpal Bill.

3.6 SUMMARY

- Bureaucracy is a pyramidal hierarchy, which functions under impersonal, uniform rules and procedures, and is defined as a formal organization which has formal rules and departments to coordinate hierarchical areas of activities.

- The main characteristics of bureaucracy are as follows: Hierarchy, duties defined, specialization, discipline and harmony, attainment of a specific goal, promotion, training, impersonalization and secrecy.
- Bureaucracy is formed by environmental influences including social, cultural, economic and political factors. At different points of time in history, bureaucracy transformed on the basis of the socio-political influences.
- Bureaucratic organization is increasingly becoming defining characteristic of modern industrial society. Max Weber's analysis of bureaucracy is a pioneering study in this particular field in sociology. Weber's views on bureaucracy should be seen in the context of his General Theory of Social Action. It is Weber's thesis that every man gives some meaning to his conduct. Human action can, therefore, be understood and appreciated in terms of the meanings and motives which lie behind it.
- Bureaucracy is also a form of control. It implies a hierarchical organization in which there are superiors and subordinates with clearly defined responsibilities and powers.
- The organizational structure derives its form from the type of legitimacy on which it is based. While emphasizing this aspect, Max Weber observes as follows: 'According to the kind of legitimacy which is claimed, the type of obedience, the type of administrative staff developed to guarantee it and the mode of exercising authority will all differ fundamentally.'
- According to Max Weber, bureaucracy is a defining feature of an industrial society, irrespective of whether it is capitalistic or socialistic. The question as to who owns the means of production is not relevant. Marx, however, looks upon bureaucracy as an essential feature of a capitalist society. In such a society, a small minority owns the forces of production.
- Globalization has been consistently responsible in changing the role and position of the nation-states, leading to a spread of global culture, which is characterized by global corporate dominance, global mass media and communication technologies.
- Globalization is also affecting the public administrative system. This is to a great extent due to the impact of pressure generated especially on developing countries by global institutions, IT and increasing concern over, efficiency and economy.
- The impact of globalization on the economy is mixed, with benefits accruing due to competition along with negatives like economic crisis; weakened State, apparatus; propagation of market-oriented values; disruption of distribution of wealth leading to increasing levels of poverty, inequality and social crises with significant repercussions on development.
- The Organization for Economic Cooperation and Development (OECD) believes that through New Public Management, public sector is being made more managerial; the introduction of a more contractual, participative and discretionary style of relationship between levels of hierarchy, between control

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- agency and operating units, and between producing unit, be they public or private.
- Over the years, there has been one important shift in the thinking of new public management. In the early stage of entrepreneurial government, there was stress on de-governmentalization and privatization which was sometimes called downsizing or right sizing. The government was expected to be lean and mean but now once again, it has been recognized that the imperatives and inevitability of government's role and responsibility as a crucial facet of national life cannot be undermined.
 - In the words of Harold R. Bruce, 'A budget is a financial statement prepared in advance of the opening of a fiscal year, of the estimated revenues and proposed expenditure of the given organization for the ensuing fiscal year.'
 - Some of the significant features of a budget are: (a) Budget is an account for the proposed expenditures as well as the expected revenues (b) Budget requires an authority who sanctions it (c) Budget is usually annual. In any case it has to be for a certain period of time (d) Budget also puts forward a particular process through which the whole administration and collection of expenditures and revenues has to be carried out.
 - The different kinds of budget includes: (a) Annual budget (b) Singular or plural budget (c) Surplus, deficit or balanced budgets (d) Cash or revenue budget (e) Departmental or performance budget.
 - Public budgeting usually is, and has been, annual. The legislature can, thus, have a closer look and can control governmental activities. This in no way means that the government does not want or needs to take a look into the future planning and, therefore, the annual budget has to be proposed with a vision for the future. Long-term budgeting is imperative. So in reality long-term budgeting is not an actual budget for a certain time period but a process of making provisions for the future and making annual budgets accordingly.
 - The general budget is one of the greatest democratic instruments of growth. It helps bridge the economic disparities among different communities and sectors and helps take a step forward towards a more inclusive development.
 - The Railway Budget was separated from the General Budget in 1921. The advantage of this arrangement is, first, that a business approach to the railway policy is facilitated, and, secondly, the railways, after paying a fixed annual contribution to the general revenue of the country, can keep their profits for their own development.
 - The Ministry of Finance, dealing with the financial business of the Government, has overall responsibility for framing the budget. The Finance Minister is the steward of the nation's purse. It is his paramount duty that the national finances are conducted prudently and efficiently.
 - In the preparation of budget estimates for the ensuing financial year in India (the financial year commences on April 1, and ends on March 31) four different

organs are involved: (i) The Finance Ministry (ii) The Administrative Ministries (iii) The Planning Commission (iv) The Comptroller and Auditor General.

- The Administrative Reform Commission (ARC) submitted a particular provisional report on 'Problems of Redressal of Citizen's Grievances' in 1966. In the report, the ARC suggested the establishment of two authorities elected as 'Lokpal' and 'Lokayukta' for citizen's grievances redressal.
- 'Lokpal' and 'Lokayukta' were set up on the patterns of the institution of Ombudsman in Scandinavian countries and the Parliamentary Commissioner for Investigation in New Zealand.
- The Lokpal would deal with complaints against ministers and secretaries at Central and State levels, and the Lokayukta, one at the Centre and one in every state, would deal with the complaints against other specified higher officials.
- There were a series of Lokpal bills introduced in the Parliament. The Government of India accepted the recommendations of the ARC in general terms.
- The Jan Lokpal Bill which is also known as the Citizen's Ombudsman Bill is an anti-corruption bill initiated by well-known civil society activists who demand the appointment of an independent body or Jan Lokpal that will not only investigate corruption cases but will complete their investigation within a year.

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3.7 KEY TERMS

- **Bureaucracy:** Government characterized by specialization of functions, adherence to fixed rules, and a hierarchy of authority.
- **Red Tape:** Excessive bureaucracy or adherence to official rules and formalities.
- **Budget:** A budget is a financial statement prepared in advance of the opening of a fiscal year, of the estimated revenues and proposed expenditure of the given organization for the ensuing fiscal year.
- **Lokpal:** An authority that would deal with complaints against ministers and secretaries at Central and State levels.
- **Lokayukta:** One at the Centre and one in every state, would deal with the complaints against other specified higher officials.
- **Jan Lokpal Bill:** Also known as the Citizen's Ombudsman Bill is an anti-corruption bill initiated by well-known civil society activists who demand the appointment of an independent body or Jan Lokpal that will not only investigate corruption cases but will complete their investigation within a year.

3.8 ANSWERS TO ‘CHECK YOUR PROGRESS’

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1. The two main characteristics of bureaucracy are:

Duties defined: The duty of each official is well-defined. He is conscious of his jurisdiction, and he will not go beyond it. He will be committing a mistake and inviting punishment if he crosses the area of his jurisdiction.

Specialization: Although bureaucratic training produces generalists, they develop some amount of specialization in course of their work. When an official works in a particular organization or department for some period, he gains expertise on it.

2. This type of bureaucracy is also known as ‘Spoils System’. Patronage here is seen as a means of political control. Under this system, the protégés of the ministers or the elected functionaries are nominated to the civil service. The public jobs are distributed as personal or political favours to their supporters.
3. In a hierarchical organization, files and papers move from one official to another at a snail’s pace because observance of formal procedure involves delay. This is called bureaucratic ‘red tape’, which stands in the way of providing efficient service to the clients of the organization.
4. The impact of globalization on the economy is mixed, with benefits accruing due to competition along with negatives like economic crisis; weakened State, apparatus; propagation of market-oriented values; disruption of distribution of wealth leading to increasing levels of poverty, inequality and social crises with significant repercussions on development.
5. According to the OECD, most countries are following two broad avenues to improve production and delivery of goods in services in public organizations. These two avenues are:
 - (i) Raise the production performance of public organization to improve the management of human resources including staff, development, recruitment of qualified talent and pay-for-performance; involve staff more in decision-making and management; relax administrative controls while imposing strict performance targets; use information technology; improve feedback from clients and stress service quality; bring supply and demand decisions together (e.g., through charging users).
 - (ii) Make greater use of the private sector to promote a dependable, efficient, competitive and open public procurement system for contracting out production of publicly provided goods and services and contracting, in intermediate goods and services and end monopoly or other protection for suppliers.
6. A budget is a financial plan summarizing the financial experience of the past stating a current plan and projecting it over a specified period of time in future.

7. The different kinds of budget includes: (a) Annual budget (b) Singular or plural budget (c) Surplus, deficit or balanced budgets (d) Cash or revenue budget (e) Departmental or performance budget.
8. The general budget is one of the greatest democratic instruments of growth. It helps bridge the economic disparities among different communities and sectors and helps take a step forward towards a more inclusive development.
9. Two salient features of the 'Lokpal' and 'Lokayukta', recommended by the Administrative Reform Commission (ARC) are as follows:
 - (i) The 'Lokpal' and 'Lokayukta' should be demonstrably impartial and independent.
 - (ii) The analysis and the proceedings of the 'Lokpal' and 'Lokayukta' should be done privately and should also be informal in nature.
10. The Jan Lokpal Bill which is also known as the Citizen's Ombudsman Bill is an anti-corruption bill initiated by well-known civil society activists who demand the appointment of an independent body or Jan Lokpal that will not only investigate corruption cases but will complete their investigation within a year.
11. Two salient features of the Jan Lokpal Bill is as follows:
 - (i) The institution of Lokpal to be set up at the centre and a similar institution called Lokayukta to be set up at the state level.
 - (ii) The Lokpal and Lokayukta will function independent of the government like the Election Commission and Supreme Court and therefore no politician or bureaucrat will be able to influence it.

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3.9 QUESTIONS AND EXERCISES

Short-Answer Questions

1. What is bureaucracy? What are the types of bureaucracy?
2. What are the main characteristics of bureaucracy?
3. Discuss the common attributes of new public administration.
4. What are the different organizations involved in budget preparation?
5. Discuss the features of Lokpal and Lokayukta.

Long-Answer Questions

1. Discuss bureaucracy from Marxian as well as Weberian perspective.
2. Analyse bureaucracy critically, with examples.
3. What is globalization? Discuss public administration in the age of globalization.
4. What are the different kinds of budget? Discuss the social and economic implications of budget.
5. How is a budget prepared? Discuss the role of finance ministry in budget formulation.

6. What are the various bills of Lokpal? Discuss with the help of a diagram.
7. Discuss the Jan Lokpal Bill in detail.

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3.10 FURTHER READING

Sengupta, Keya, (ed.). 2010. *Human Development: Multidimensional Approach to Human Well-Being*. Concept Publishing Company (P) Ltd. New Delhi.

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UNIT 4 DISTRICT ADMINISTRATION AND PANCHAYATI RAJ

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Structure

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 District Administration
 - 4.2.1 Block Administration
- 4.3 Constitutional Body under 73rd and 74th Constitutional Amendment of the Indian Constitution
 - 4.3.1 Reforms in the Urban and Rural Bodies: 73rd and 74th Constitutional Amendment Acts
- 4.4 Planning and Development: Rural and Urban
 - 4.4.1 Rural Planning and Development
 - 4.4.2 Urban Planning and Development
- 4.5 Summary
- 4.6 Key Terms
- 4.7 Answers to 'Check Your Progress'
- 4.8 Questions and Exercises
- 4.9 Further Reading

4.0 INTRODUCTION

The district is the principal administrative unit below the state level. It is a unit of administration covering most of the departments of the government. In the words of the study team on district administration constituted by the Administrative Reforms commission:

The district is the most convenient geographical unit where the total apparatus of public administration can be concentrated, and where it comes into direct contact with the people. Most departments of the state Government outside the secretariat, have external services which are located in the district. The sum total of the activities of these departments and some others, which may also be connected with the affairs of the Central Government, together constitute the administrative machinery in the district.

The block and village level bodies are generally executive in nature, while the district level body mostly has a co-ordinating and supervisory role.

In this unit, you will learn about district administration, block administration and the Constitutional body under 73rd and 74th Constitutional amendment of the Indian Constitution. You will also learn about rural and urban planning and development in India.

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The function of the Rural Development Division is primarily to provide overall policy guidance in formulation of plans and programmes for Rural Development. Integrated development of rural areas is one of the abiding tasks before the Government of India. The National Common Minimum Programme (NCMP) of the Central government reiterates the cardinal importance of villages to the overall development of the country and commits to work towards development of rural areas, which for various reasons could not keep pace with urban areas in the past.

Urban areas are engines of economic growth. Urbanisation will be central to India's strategy of achieving faster and more inclusive growth because agglomeration and densification of economic activities (and habitations) in urban conglomerations stimulates economic efficiencies and provides more opportunities for earning livelihoods.

Thus, urbanisation increases avenues for entrepreneurship and employment compared to what is possible in dispersed rural areas. It, thereby, enables faster inclusion of more people in the process of economic growth. Although the theme of a 'rural-urban divide' still colours some policy discourse in India, there is a growing recognition that urbanisation is necessary to realise India's growth potential, and that rural-urban linkages must be strengthened. Indeed this will accelerate growth of the rural sector also.

4.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- Discuss district administration and block administration
- Explain Constitutional Body under 73rd and 74th Constitutional Amendment of the Indian Constitution
- Describe rural and urban planning and development

4.2 DISTRICT ADMINISTRATION

District is the basic unit of administration in India. It is a 'subdivision of a division'. The Oxford dictionary defines district as a 'territory marked off for special administrative purpose'. From the point of view the government, a district is 'a sufficiently large territory with an overall unity, governed by common geographical, historical, economic and social condition'. For the purpose of administrative convenience, a country is divided into numerous administrative units such as provinces/states, divisions, districts, sub-divisions, etc. Therefore, district is an administrative unit in the hierarchy of administration which consists of a number of territorial areas like cities, town and villages. A district is generally named after the largest town/city of the territorial area of the concerned district.

The word 'district administration' means the management of the tasks of government so far it lies within an area legally recognised as a district. According to

S.S. Khera, 'District administration is the total management of public affairs within this unit'. In other words, district administration is that portion of public administration which functions within the territorial limits of a district. A district is considered the most viable geographical unit where the total apparatus of public administration can be concentrated, the district administration deals with management of numerous public affairs. Here we find a number of functionaries belonging to various departments of the district government, such as, the divisional commissioner, district magistrate, district collector, district agricultural officer and the district education officer.

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Characteristics of district administration

Some of the main characteristics of district administrations are as follows:

- It is at district level that government comes into contact with the people.
- The problem at this level is local, relating only to the district.
- District administration is a field work as opposed to staff or secretariat functions.
- At district level, policy formulation ends, implementation begins.
- The District Officer is the last agent of the state government.
- At the district, there is functional aggregation of units. A large number of departments have their field agencies located in the district.

Before proceeding towards the role and function of the chief officials of the district, it is essential to know the exact importance and responsibility of district administration.

Role and importance of the district administration

District administration has a very important place in the hierarchy of Indian administration. It is this tier of administration that touches the people more directly and more strikingly. An ignorant Indian villager may not know anything of the structure of the state government, but the collector, is a living reality to him. Almost all the departments of state government have their field agencies in the district which come close to the people and work at the grassroots level. There are divisional officers, District Magistrate or District Collector, etc., who almost affect every citizen in one or the other. The citizen, therefore, finds in the administration, the actual working of the state administration. The responsibility for the peoples' comfort and satisfaction of their needs rests primarily on the district administration. The people approach the district for redressal of their varied grievances. Very few of them go to the state capital for the said purpose. Thus, for an average citizen, the district administration is the government.

The state government, on the other hand, also depends upon the district administration for the successful implementation of its policies. It receives feedback from the district officers in the light of which it revises its policies and programmes. It is the officers in the field who are actually involved in the tasks of policy implementation. The success of any state government depends on how its policies are implemented by the district administration. An honest and people-oriented district

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administration may earn a good name for the state government while a corrupt and autocratic one may bring its downfall. The responsibility for maintenance of law and order and protection of the life and property of the people rests upon the district administration which can create chaos by inept handling of public affairs. The district administration acts as the eyes, ears and arms of the state government. Its efficiency and integrity are of vital importance.

According to the famous thinker Potter, 'district administration means to: (i) maintain the district in a state of law and order, (ii) ensure that justice shall be done and rule of law shall prevail, (iii) assess and collect a number of taxes, e.g., land revenue, agricultural income tax, irrigation rate, etc. (iv) ensure that the land which is the major source of people is properly administered; (v) exercise various regulatory and control functions of the government, and (vi) take immediate action in case of a calamity or disaster and the like'.

There has now come about a radical change in the fundamental aims of the district administration which is being remodelled in all the states to enable it to carry out the new responsibilities. In the new order of things, the district administration will have an even more vital role to play than in the past. The Planning Commission expressed its views in the First Five Year Plan as follows:

'In brief, from now, the primary emphasis in district administration has to be on the implementation of development programmes in cooperation with the active support of the people. The reorganisation of district administration has to provide for:

- (a) Strengthening and improving the machinery of general administration,
- (b) Integration of activities of various development departments in the district and the provision of a common extension organisation,
- (c) Linking up, in relation to all development works, of local self-governing institutions with the administrative agencies of the state government,
- (d) Regional coordination and supervision of district development programme'.

Thus, new dimensions have been added to district administration which is a well tried form of field administration adapted to the needs of our country. As a practical unit of field administration, it has stood the test of time and may well continue to be the principal pattern of field administration throughout the country for a long period of time. The district administration as said earlier provides the principal points of contact between the citizen and the process of government and is truly the cutting edge of the tool of public administration. In the development and refinement of this tool, new changes may be brought about in order to fulfil the changing needs.

Types of districts

District administration, as pointed out above, constitutes a convenient method of performing the functions of government in a district. There are several types of districts:

- There are districts where the local administration concentrates more on urban areas and on urban population. Delhi may be cited as an example.

- The largest number is that of rural districts as the average district in India continues to be, on the whole, a rural district.
- Next, there are industrial districts which are found in heavily industrialised areas. Such districts are in Kanpur, Kolkata, Surat, Mumbai, Jamshedpur and Ludhiana, to name a few.
- Backward districts constitute another type. They are those districts where the local people do not enjoy those opportunities or advantages which are the monopoly of more developed areas.
- Lastly, there are hill districts where the pattern of living and that of local administration differs from those of the districts which are suited in the plains.

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Divisional Commissioner/District Magistrate/Collector

Divisional Commissioner

The working of administration in states has been organised in town-pattern in India. In some states the districts are directly administered by the state government, whereas in certain other states there is an office of the Divisional Commissioner in between the state headquarter and the district to take care of some of the designated areas. In other words, the Divisional Commissioner represents the state government of the region. They are the senior officers from the Indian Administrative Service. The Institution of Divisional Commissioner exists in all the states of India except Tamil Nadu, Andhra Pradesh, Kerala and Rajasthan. Rajasthan had abolished this office in the year 1961, although there is a Divisional Commissioner for the border areas. Before the appointment to this high office, the Commissioner should have gathered varied experiences by having served in different capacities like the Collector, head of an executive department, deputy, secretary/secretary to the state government and may have even had tenure in the union government.

History

The post of Divisional Commissioner was first created in 1892 when the then Bengal Government established an intermediate authority between the Collector and the headquarters administration. The next year, the then Bombay Government also created this post. The appointment of Commissioner in the subsequently acquired province of the Punjab, Burma, Oudh and the Central Province followed in due course. Thus, before independence, every province in India except Madras had a Divisional Commissioner.

The Divisional Commissioner was primarily a revenue official and in that capacity he not only heard appeals in revenue cases from subordinate revenue authorities but also acted as an inspecting and supervisory authority over collectors and their subordinate revenue officials both in their revenue and magisterial capacities. The Commissioner also had a very definite position as controlling and occasionally as an appellate officer in respect of the work of district boards and municipalities. In addition, the Commissioner was vested with the authority to co-ordinate the work of all departments at the divisional level. These officers, thus, acquired immense authority and prestige and very senior officials were appointed to this position.

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Functions of the Divisional Commissioner

The major functions of the officer of the Divisional Commissioner are as follows:

- Administer the function pertaining to revenue administration, Zila Panchayat and Local Sector Governments in the Division of the state.
- Ensure proper and efficient achievement of the various schemes of development including employment generation, civil supplies, primary health, drinking water, development of infrastructure, primary education, poverty alleviation, etc.
- Ensure appropriate and valuable association in several organisations of the public and Government.
- Remove the bottleneck, if there is any, in the formation of the various programmes that are meant for development.
- Dispose of establishment issue of revenue department, Zila Parishad, Municipal Corporation, Municipal Committee, Duty Act, Entertainment, Slum Act, Village Panchayat Act, Nagar Panchayat, etc.
- Guide, supervise and manage the diverse offices of the state division, particularly that of Municipal Councils, Superintendents of Police, chief executive officers of Zila Parishads and Collectors.

Besides, the office of the Divisional Commissioner under his charge, they also manage the following functions:

- In the whole region the distribution and supply of all necessary commodities. Pay attention to poorer sectioning of communities and provide several government schemes, such as Shaleya Poshan Aahar, Antyodaya Yojna, Annapurna and Nav Sanjivan Yojna. In addition, under this section an appeal is also made against the judgements of the collector and the district supply officer.
- Through the collector in the districts, the commissioner also helps in the formation of Employment Guarantee Schemes. This is mainly for the assistance of the rural unemployed labourers. The commissioner also looks after financial control and the administrative function over all the schemes.
- The resettlement schemes in trend in various district of the division are looked after by the Divisional Commissioner. It monitors the resettlement matters related to the project's rehabilitation affected peoples and also pay attention under the Resettlement Act on the attainment of land in the various plans notified.
- The administrative function of the employees appointed under the Panchayat Samiti Act and Zila Parishad and also the everyday administrative behaviour of the organization affairs of the Zila Parishad in the various divisional districts.

District Magistrate/ Collector

District is one of the most important units of the state. The entire administration of the district lies in the hands of one person, i.e., District Magistrate or District Collector.

To understand the role and functions of the District Magistrate or District Collector, it is essential to know the exact meaning of the magistrate or the collector.

Magistrate/Collector

The judicial officer of the district is the Magistrate. The word 'magistrate' has been derived from the Middle English word 'magistrate' which means 'civil officer in charge of administering law'. It is one of the most important and highest positions among all government officials. Besides in a district, the position of magistrate is also found in civil law where the person is known by the name of 'judge'. The word magistrate is also found at the state level and at the district level. Here, the person is known by the name of District Magistrate or District Collector. It has been noted that all the judicial and executive powers of the district are vested in the hands of Magistrate or Collector.

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Original meaning of 'magistrate'

It has been noted that the word 'magistrate' has its origin in Rome. Here the term was used to denote the highest officer of the state, with offices in the local authorities known as municipium, having executive and judicial power as well as the power to order magisterial law. In Rome, the magistrates were also known by the name of '*cursus honorum*' career of honours.

In India, magistrates are also considered as the highest official of the state. Here, the magistrates are classified into four categories and are mentioned under Criminal Procedure Code, 1973. These include the Chief Judicial Magistrate, the Judicial Magistrates (First Class), Judicial Magistrates (Second Class) and the Executive Magistrates.

Chief Judicial Magistrate

Chief Judicial Magistrate is present in the Indian court. The most important function of the Chief Judicial Magistrate is to look after criminal cases. There are two classes of Chief Judicial Magistrate: First Class and the Second Class. They perform the following functions:

- A first class judicial magistrate has the right to sentence a person to jail for at least three years and also impose ₹ 10,000 fine on the accused.
- A second class judicial magistrate has the right to sentence an accused to jail for approximately one year and can impose a fine on him of ₹ 3,000.

Executive Magistrate

An officer who performs tasks at the executive branch is known as Executive Magistrate. He holds power under the Indian Penal Code (IPC). It is the duty of the Executive Magistrate to set a bail for the accused. He is also responsible for passing order warning an individual to not committing a particular action and preventing an individual from entering an area that is restricted. The Executive Magistrates are also responsible or authorised to make appropriate use of forces against people. In other words, the Executive Magistrates are mainly assisted through district police.

In almost every revenue district, there are four types of magistrates. These include the District Magistrate (DM), Additional District Magistrates (ADM), Sub-Divisional District Magistrates (SDM) AND Executive Magistrates.

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District Magistrate/District Collector

The District Magistrate (Uttar Pradesh and West Bengal) also known as District Collector (Jammu & Kashmir, Assam, Punjab, Haryana and Karnataka) is considered to be the head of the district administration. A District Magistrate/District Collector is basically a generalist, normally an IAS officer or a promotee from the state civil service. The direct recruit is naturally of a younger age than the promotee. He performs multifarious functions. Therefore, they are also called the pivot of the entire district administration. His principal duty today is the maintenance and regulation of law and order in the district. Collection of revenue and upkeep of land records is another very important function. In post-independent India, fulfilment and direction of tasks relating to socio-economic development has been a significant duty of the District Magistrate/District Collector.

Administration below the district

It has already been said that the District Collector is the head of the administration in the district. In the performance of his multifarious tasks, he is assisted by the following hierarchy of functionaries:

- Sub-Divisional Officer
- Tehsildar
- Revenue Inspector
- Patwari

Roles and functions

Some most important roles and functions of the District Magistrate/District Collector are as follows:

- Land revenue
- Law and order
- Development functions
- Other functions

Land revenue

The origin of the institution of District Collector and District Magistrate in its present form goes back to the period of East India Company when the nation acquired the 'Diwani' rights from the Mughal emperors and appointed its officers to collect revenue. The first Governor General of India Warren Hastings had created the office of District Collector for the dual purpose of collecting land revenue and dispensing justice. The District Collector or Magistrate is the head of the revenue department of the district. In this capacity, he performs the following functions:

- He possesses the power of general supervision and control of the land records and their staff.

- He is responsible for collection of land revenue, canal dues and Government dues.
- He is responsible for the distribution of 'taqavi' loans.
- He is responsible for the recovery of 'taqavi' dues.
- He is responsible for the distribution of distress taqavi during losses to crops caused by natural calamities.
- He is responsible for providing relief to the fire sufferers.
- He is responsible for the payment of Zamindari abolition compensation and rehabilitation grant remission of revenue in case crops are destroyed due to flood havocs or droughts or crops being infested with locusts in the harvesting seasons.
- He is responsible for managing government properties and courts of wards estates.
- He is responsible for the assessment and realisation of agriculture tax.
- He is responsible for the supervision of Treasury and Sub-treasury.
- He is responsible for the enforcement of Stamp Act.
- He is responsible for ensuring proper administration of land and proper sale and mortgage of land.
- He is responsible for the submission of periodical reports to higher authorities and ensuring that the rights in land are held and enjoyed and passed from one party to another within the jurisdiction of law and in a peaceful manner.
- He also looks after land acquisition work and all matters relating to land records.

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Law and order

A district collector or magistrate is also responsible for maintenance of law and order in the district. He also establishes a relationship with the Superintendent of Police (SP). The various roles and functions of the District Collector/Magistrate pertaining to law and order are as follows:

- He can inspect police stations and ask for any information, statement, record and register dealing with crime.
- He can ask the in-charge of any police station to come personally and explain matters. It is the legal responsibility of the SP to inform him of any apprehension of breach of peace and order.
- The District Magistrate promulgates orders whenever there is any danger of breach of public order and peace.
- He makes jail inspections, disposes the cases of under trail prisoners, grants superior class to prisoners, orders premature release of prisoners, release of prisoners on parole, deals with mercy petitions from prisoners, submits an annual criminal report to the government, appoints village chowkidar, deals with labour problems, strikes etc., initiates prosecution of offenders under Factories Act, Trademark Act, Cinema and Entertainment Tax, etc.

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- He can issue warrants for the arrest of a suspected offender. A person may be detained by him if there is a fear of breach of peace.
- He may impose curfew in a particular locality or localities for a specific period.
- He grants licences for explosive and fire arms.
- The District Magistrate may order an enquiry into an accident caused by explosion.
- He has the power to disperse unlawful assemblies, remove public nuisances and issues orders under Section 144 of Code of Criminal Procedure (Cr. P.C.).
- District Magistrate can bind the people to keep peace under Section 107 of the Cr. P.C.
- He takes essential actions for eviction under Public Premises Act, and Rent Control Act.
- The District Magistrate hears general complaints and petitions received from the people against any matter relating to district administration.
- He makes essential arrangements for the holding of fairs and exhibitions during festivals in order to ensure peace.

Developmental functions

The District Collector in his capacity as revenue officer and general administrative officer always had a good deal to do with whatever 'development' activities are carried out in the district. Before independence, relief works like repair and construction of small irrigation sources were undertaken by the Revenue Department. In times of famine or scarcity, various relief works including construction and repair of roads, tanks and wells were undertaken by the Collector.

The Collector was also associated with local government institutions, the district board and the municipalities. He was expected to supervise the work of the District officers of education, health and other welfare departments. During the inter-war years, as agriculture, cooperation and other rural development activities began to receive greater attention, he was expected to look after them also.

An era of systematic economic planning and development was ushered in after independence. The year 1951 saw the beginning of the first Five Year Plan. The Collector, whose duties had so far been regulatory in character, was asked to take upon himself the functions of promoter and coordinator of all development activities. This completely changed the emphasis of his functions, and development became the major component of his responsibilities.

At the district level, the Collector or the Divisional Commissioner was considered to be the captain of the team of officers of all development departments and was fully responsible for securing the essential co-ordination and co-operation in the preparation and execution of the district plans for community development.

As a result of the recommendations of the Balwant Rai Mehta Study Team Report (1957), the position of the Collector in the field of development underwent a change. The Committee inter alia recommended a three-tier system for democratic decentralisation: Zila Parishad at district level, Panchayat Samiti at Block level and Village Panchayat at village level. Though the Committee recommended that the Collector should function as the Chairman of the Zila Parishad, a different view gradually began to emerge which was opposed to the placing of the Collector in any dominant position in the Panchayat Raj setup which, it was felt, would not be consonance with the spirit of decentralisation. The position of Collector in relation to Panchayat Raj institutions varies from state to state. In general, we can find the following five patterns:

- (i) In Uttar Pradesh and Bihar, the Collector is entitled to attend the meetings of the Zila Parishad and its standing committees but without right to vote.
- (ii) In Madhya Pradesh, Maharashtra, Gujarat and West Bengal the Collector is kept out of the Zila Parishad.
- (iii) In Punjab, Rajasthan and Assam, the Collector is the non-voting member of the Zila Parishad.
- (iv) In Tamil Nadu, the Collector is the Chairman of the District Development Council and the Zila Parishad.
- (v) In Andhra Pradesh, the Collector is a member of the Zila Parishad and also the Chairman of all its standing committees.

Almost all the states except Madhya Pradesh, Maharashtra, Gujarat and West Bengal show unanimity in granting to the Collectors certain kinds of powers under Panchayat Raj legislation. He has the power to direct execution of any work immediately required for the safety of the public or for implementation of development programmes. He also has the power to suspend a resolution of the Zila Parishad or Panchayat Samiti if its execution is likely to endanger human life.

It has been found that the Collector/Magistrate also acts as an important link between the Panchayat Raj institutions and the State Governments. While he has to bring to the notice of the Government the needs and aspirations of the people as articulated by the members of these institutions, it is his duty to see that priorities and targets laid down by the State Government are adhered to by these institutions.

Rural development

Under the chairmanship of the District Collector, various rural development programmes such as the Rural Development Programme, National Rural Employment Programme, Drought Prone Areas Programme, Rural Landless Employment Guarantee Programme, Minimum Need Programme and Command Areas Development Programmes, meant for the amelioration of the weaker section of the rural society are being implemented by the District Rural Development Agency. It is the duty of the District Collector to arrange meetings of the Agency consisting of

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district officers belonging to different development departments and to coordinate their activities.

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Here, the Integrated Rural Development Programme assists the families below the poverty line in rural areas by encouraging them to take up self employment ventures in the primary, secondary and tertiary sectors.

The Drought Prone Areas Programme aims at integrated area development on a mini and micro watershed basis to bring about optimal development of land, water, livestock and human resources for restoration of the ecological balance so as to mitigate the effect of drought. Under this programme, activities such as afforestation, soil conservation, and efficient utilization of scarce water, conservation of scanty rainfall and introduction of dry land farming technology are taken up.

The National Rural Employment Programme launched in October, 1980 seeks to provide supplementary employment opportunities to work-seekers during the lean periods of the years, besides creating durable community assets. The objectives of Rural Landless Employment Guarantee Scheme are to maximise both direct and long-term employment opportunities through investment made under the programme and to help in stabilising the market wage rates.

The Command Area Development Programme aims at bridging the gap between potential created and its utilisation. Under this programme, activities like construction of field channels, land levelling and 'Warabande' are undertaken.

The Special Livestock Production Programme provides financial assistance to small and marginal farmers and agricultural labourers for rearing crossbred heifer calves and for establishment of sheep, poultry and piggery production units.

The Minimum Need Programme seeks to provide arrangements for the satisfaction of the minimum needs of the rural people such as drinking water, health care, sanitation and housing facilities.

Other functions

Besides the above-mentioned functions, the District Magistrate/Collector also performs numerous other functions of varied nature as follows:

- Leave, transfer and posting of the land revenue officers working under his control
- Dealing with pension cases of his staff
- Controlling and disbursing officers of the district
- Preparing estimates of works in respect to revenue building and responsibility for maintenance of all government buildings under the charge of the Revenue department
- Submitting annual budget estimates
- Acts as a Protocol officer in the district
- To make arrangements for the stay of VIPs at the Circuit House
- Issuing tour programmes of Ministers and VIPs

- Compiling and submitting annual administration reports of the district
- Attending to character verification
- Supervising the proper conduct of civil suits in which the state is a party
- Interviewing official and the public members
- Providing training to the juniors officers in the official procedures and administrative works
- Enforcing the Press Act
- Attending to Public grievances and presiding over District Grievances Committee in the absence of minister-in-charge
- Acting as a Returning Officer for elections to Parliamentary and Vidhan Sabha constituencies
- Issuing of certificates of domicile, schedule and backward classes, guardianship of political sufferers, etc.
- Supervising the civil defence work
- Conducting census operation in the district
- Looking after the local self government administrations
- Conducting superintendence over all other branches of district administration
- Liaisoning with military authorities and looking after the welfare of the both armed forces serving and retired
- Taking prompt action in case of calamities and disasters
- Conducting administration of Nazul lands
- Managing government estates
- Formulating government policies on new schemes like National Saving and Population Control
- Providing relief to the famine and flood sufferers
- Allotting government houses
- Coordinating the functions of other district officers
- Supervising the local bodies of the district

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With this overview of the roles and functions of the District Magistrates/ District Collectors, it may be said that the person occupies an important place in the district administration. His authorities are enormous and his powers are vivid. In this respect, according to the famous political thinker William Hunter,

The District Officer is the fiscal officer charged with collection of land revenue, is also a revenue and criminal judge both of the first instance and appeal....police, jail, education, municipalities, roads, sanitations, dispensaries, local taxation, and the Imperial revenue of the district are to him matters of daily concern. He is expected to make himself acquainted with each natural aspect of the country.

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Even today most of the role and functions are similar to those of the British days; rather they have increased with the addition of developmental functions. He is considered to be the sole representative and chief agent of the state government in the district. He acts as a channel of communication between the government and the inhabitants of the district. He is considered to be a prop to the needy and the distressed. People run to him for succour and redressal in times of calamity and oppression.

Collectorate

A Collectorate is the office of District Collector located in the headquarters of the district. It is divided into various sections. Each section helps the Collector in the performance of his functions and conducting of his administrative responsibilities. Figure 4.1 illustrates some of the sections of a typical collectorate.

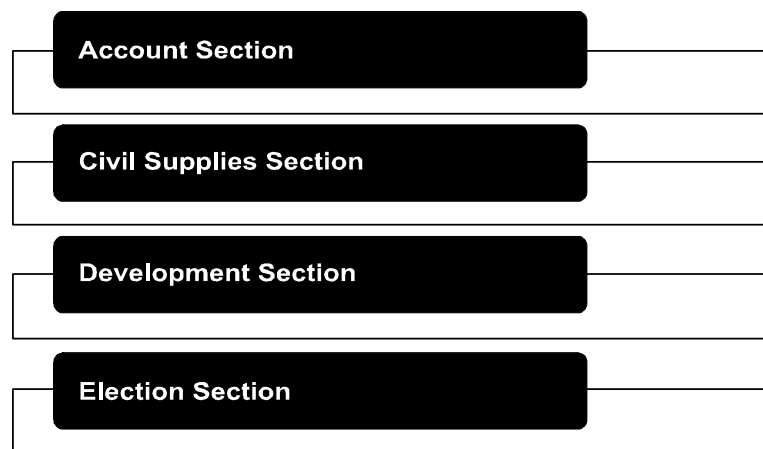


Fig. 4.1 Sections of a Collectorate

Collector as a representative of state government

The Collector has generally been accepted as a representative of the Government at the district level. His recommendation in all matters of the state is of great importance. There is a considerable protocol work that rests on the Collector. Being the official representative of the Government, the Collector is supposed to make arrangements regarding their visit. This work has considerably increased after Independence. State governments have issued detailed instructions regarding the level of representation for receiving and taking care of the VIPs.

The Collector also acts as the chief grievances officer in the district. He is the representative of the Government in the large area under his charge, in front of the public, he embodies the power of the 'state' and it is to him that they primarily look to address their grievances and to promote their welfare. The difficulties and grievances in respect of all the departments as well as matters concerning private disputes existing among citizens of the state are freely brought before him. Somehow, people do look to him to redress grievances in all sorts of matters whether he is directly connected with them or not.

The Collector is, therefore, an important link between the state citizen and the administration. He receives a large number of visitors at headquarter as well as at his camp when he is on tour in the interior areas of the district. According to the instructions added by the state government, the Collectors of almost every state have to visit the interior portions of the district at least one time in a year. During the visit, it is the collector's responsibility to supervise the revenue office, Block Development Office and police stations, check land records, make spot inspection and also take action on the complaints brought before him by the public of that area.

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It has been found that after Independence the functions and role of the District Collectors/Magistrate has gained greater importance owing to the proliferation of Government Departments and increase of their power over the citizen.

As the official representative of the state government the Collector has certain important functions to perform with regard to urban local bodies, namely municipalities, Notified Area Committees and Town Area Committees. The Collector coordinates the work relating to the conduct of municipal elections. The budgets of local bodies and their request to the Government for the grant are scrutinized in the office of the Collector. He also looks after the utilisation of these grants and has the power to inspect these institutions. In case of any mismanagement or any serious irregularity he can advise the Government to take suitable action against the local body which may even extend to its supersession. He can also stay the execution of any resolution passed by these bodies if its implementation, in his opinion, is likely to result in breach of peace. It should, however, be noted that these powers of supervision and control are not meant to be used for unduly interfering in the internal working of local bodies but are mainly intended to ensure good governance in the locality.

The Collector has a special role in an emergency and acts as the chief relief officer in the district. In times of stress and difficulty, his duties and responsibilities are increased ten-fold. For instance, in case of flood it is his job to take adequate advance precaution for evacuation of flood affected areas and to provide the necessary relief, to victims. In case of both flood and fire, the Collector has wide discretionary power to afford relief and often he can go beyond them, wherever he considers necessary. In the case of famine, the Collector is the authority under the Famine Code to keep a vigilant watch to stop the signs of developing famine, keep the government fully informed of such a situation and take whatever steps are considered necessary to give relief. In such matters, it is the initiative, zeal and vigilance of the Collector that makes all the difference between speedy relief and tardy help. In times of local or national emergency such as strikes by power or transport personnel in which it is the Collector who has to take all steps in consultation with the concerned authorities to ensure that essential services are kept going. In the event of grave crises, the Collector is responsible for the formulation and implementation of a Civil Defence Plan. In times of food shortage, civil supplies and rationing become the prime responsibility of the Collector. Thus, the role of the Collector in an emergency is to deal with whatever is most important and to bring to the situation all the authority of the state government and the prestige of his post.

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Changing pattern

The Oxford Concise Dictionary defines a district as a territory marked off for special administrative purposes. This definition gives a fair idea of what exactly a district in India is. The basic territorial unit of administration in India is the district, and district administration is the total management of public affairs within this unit. The institution of District Magistrate/District Collector, as it exists today, was created and developed during the British Rule and has become a unique feature of Indian Public Administration by the time the country became independent in 1947.

Though the political complexion of the country changed after independence, the institution of District Collector/Magistrate remained. It would be worthwhile to trace the chronology of the post of Collector.

Early period

There has been a remarkable continuity of the basic form of the district as a unit of administration. To go as far back as we can, the code of Manu describes the general form of administration. The code of Manu starts with the village as the basic unit. He describes the village as a more or less self-contained republic, a social group in a state of stable economic equilibrium, a political group running its own affairs as a community in a state of balance. Each village had its headman. About thousand villages were placed in the charge of an official. This figure of thousand is of importance even today because it closely appropriates the all Indian average of about 1100 villages to a district.

The rudiments of the system of territorial administration can be traced to times of the Mauryas. During this time, the kingdom was divided into convenient territorial units and each unit was placed under a representative of the king. This official, who roughly corresponded to the present day Collector, was called the *Rajuka* and was appointed over 'many hundred thousand men', having immense powers of awarding rewards or punishment. Essentially a revenue officer was also there who conducted some of the judicial functions. He not only collected land revenue but also maintained roads in proper condition, promoted trade and industry and carried out public works such as irrigation.

The system of territorial administration also existed under the Gupta regime. The empire was divided into provinces, probably known as the *Desas*, the provinces into divisions known as the *Bhuktis*, and the division into districts, called the *Visayas*. The *Visyapati*, was considered as the district officer who administered the state business in the district. It was his significant duty to collect taxes and revenues and maintain law and order. He has a military force for performing the functions.

Mughal period

During Mughal administration the nearest equivalent of the district was the *Sarkar*. Although it came to be spelt during the British period as *Circar*, it really is *Sarkar*; and that is what it literally was, namely, the government in its total manifestation, in a conveniently demarcated geographical unit. It was during this period that the entire

empire was divided into *subas*, the *subas* into *sarkars*, and the *sarkars* into *parganas*. The *sarkar* which was the counterpart of the modern district was under a triumvirate, viz. *Amalguzar* or *Amil*, *Qazi*, and *Mir Adil* and *Faujdar*. At the head of the administration in the *sarkar* was the *Faujdar*, a military officer who served as a direct representative of the Emperor and worked under the guidance and supervision of the provincial governor. The *Faujdar* could report directly to the Central Government in times of emergency and sought its assistance in the restoration of peace. According to the Constitution of the Mughal government, the collection of revenue was vested in the hands of officers called *Amalguzar* or *Amil*. He was considered the chief revenue officer of the district. His duty was to encourage the *raiyyats* to bring waste lands into cultivation and to take all such measures as he deemed essential for the promotion of agriculture and for the protection of peasants either against natural calamities or the oppressive conducts of groups and individuals. He was authorised to advance loans to the peasants and supervise the work of the district treasury. He also exercised a certain degree of judicial authority in the settlement of disputed claims during assessment. He was, however, neither a judicial officer nor a chief executive officer of a *Sarkar*. The civil judicial function of Government in the district was vested in the hands of *Qazi* and *Mir Adil*.

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This, however, constituted the official organ of district administration under the Mughals. In addition to this, there was a non-official organ consisting either of village communities of joint proprietors, or government assignees and zamindars whose local influence either obscured or altogether obliterated the rights of such communities. During the vigour of the Mughal Government, both the organs worked together in harmony, the latter being subordinated to the former.

In the Mughal system of the district administration, it was not the District Revenue Officer but the *Faujdar* who occupied a dominant position in the district. This is mainly because the local community or the zamindar who was rooted in it did most of the collections and in addition kept the peace of the country as a subordinate instrument of the *Faujdar* who has the superintendence of district administration as a whole without any immediate responsibility for the collection.

Although somewhat in disarray due to the political instability which followed the dissolution of Mughal Rule, this was the state in which British inherited the administration of the country.

British Period: The development of the office of the Collector

It was in 1765 the East India Company was granted the *Diwani*, i.e., civil administration of Bengal, Bihar and Orissa. In practice, however, the Company did not take over the whole civil administration. Its interest was limited to the collection of revenue. The dual administration introduced by Clive was an utter failure. The divided responsibility of administration led to 'masterless confusion' and the province was thrown into complete chaos.

Administratively speaking, the Company's first experiment in Bengal was the appointment of its covenanted servants as supervisor to several existing districts in

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1769–70. This was no ordinary appointment. For this appointment, there was born a service which has been the envy of many societies and we find in the supervisors the predecessors of the present day District Collectors. The supervisors were required under their instrument of instructions to report on the state, produce and capacity of the lands as well as on the amount of revenues, the cesses and all demands which were made on the *raiya*s by government and others. They were also to look into the state of justice, and their instrument of instruction made it clear that within the limits of their charge they were not only to be concerned with the collections, but to acquire a general knowledge of all that affected the districts. The scheme of supervisor, however, failed largely due to their being, for the most part, untrained and inexperienced.

In the year 1772, the East India Company made a historic decision to stand forth as *diwan* and to take upon themselves, by the agencies of their own servants, the entire care and administration of revenues, and appointed collectors to superintend the revenue collection and to reside in the courts. Therefore, the office of the collector today was first time constructed by the Government of Warren Hastings under the regulation of 14 May 1772, which provided for the appointment of such an officer in each district.

The function attached to the office of Collector exceeded those of his Mughal counterparts, the *Amalguzar*. The jurisdiction of the Collector extended not only over revenue cases but also to title suits which under the Mughal system was in competence of a separate judicial officer. The Collector actually presided over the Civil Courts established in the districts reconstituted in the year 1772. In each district a Criminal Court was also established. The administration of the criminal justice was also under the supervision and control of the Collectors.

It was soon after 1787 and under the Regulation formulated on 27 June 1787 that the District Collectors were occupied with judicial and magisterial powers. The Collectors of the district also received the power and authority over the police of the district. The transformation of power from Collector to Magistrate is well known in Bengal. It was in the year 1793 that the judicial and police powers were stripped from the hands of Bengal District Collectors but soon in the year 1801, the power was again handed to the Collectors and since then the District Collectors of Bengal are known by the name of District Magistrate. It was during the British Colonial period that their term Divisional Commissioner, District Magistrate and District Collector came into being.

With the inauguration of provincial autonomy in the year 1937 under the Government of India Act of 1935, the District Magistrate/District Collector ceased to be the representative of the British Government and came to be an agent of the popular government. The change in his position was reflected in a corresponding change in the nature of his work. He and his subordinates have to spend part of their energy in supplying to the Ministers information which was needed to answer questions put by the members of legislature. The District Magistrate came to be more and more involved with the interpretation and enforcement of the newly passed social and economic legislation. He had to be engaged more and more in the rural development for which he was really not trained. The grinding poverty, illiteracy,

disease and ignorance of the rural people posed fresh challenges for the District Magistrate/District Collector.

The problems created by the Second World War added new dimensions to the functions of the Collector/Magistrate and imposed several additional responsibilities on him such as recruitment to the armed forces, taking care of families of those in the forces, civil defence measures, etc.

On the eve of independence, in 1947, the District Magistrate/District Collector had become something of a jack of all trades. He had no effective control over the activities of specialised departments in the districts even though he was generally given charge of the satisfactory functioning of each department.

Changes after Independence

When we contemplate the social and economic administration in the district, we find that great changes have taken place since Independence. In many ways the district administration is directed towards objectives and programmes which are new and quite different from those which prevailed before Independence. Consequently, there are major changes in the methods and structure of administration.

In the initial place, democracy itself generated forces causing a certain rearrangement of the colonially established hierarchies and processes, both governmental and administrative, wherein District Collector's office could not remain completely unaffected. After Independence, the real power came to be vested in the Council of Ministers. Earlier it was vested in the hands of Governors. As the Council of Ministers derived its strength from the legislature, it naturally became more dependent on peoples representatives.

The period immediately after independence marked a substantive increase in the power of District Collector. Though the popularly elected ministers were at the helm of affairs, they derived their strength from the bureaucracy right from the state to the district as regards the implementation of government policies. Apart from maintaining law and order and revenue administration, the District Collector became the king-pin of all developmental activities right from the district to the ground level. This role of District Collector increased manifold in 1952–1953 with the introduction of Community Development Programmes and National Extension Services. During this period he was not only supposed to take care of the development administration with the help of its other bodies but he also held the responsibility to coordinate the activities of various departments such as health, agriculture, industry and animal husbandry. All these roles not only challenging for a District Collector, they have also added a new dimension to his power and prestige.

Sub-Divisional Officer/Magistrate

After brief discussion of the district and the district administration, now let's look at the meaning and function of Sub-divisional Officer/Magistrate. The entire district is sub-divided into number of units, these units are known as sub-division. Each sub-division is known by a different name in different states. For instance, in Tamil Nadu

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it is known by the name of 'revenue division', in Maharashtra it is known by the name of 'Prants', in Madhya Pradesh and Uttar Pradesh it is known by the name of 'Sub-division'. It has been found that each sub-division is placed under the charge of an officer of IAS rank or State Civil Service Class I officer. The official in charge of this unit bears a variety of names, the two most well-known being Sub-Divisional Officer or Sub-Divisional Magistrate.

In Madhya Pradesh, districts are divided into sub-divisions, usually three to five. A subdivision is under the charge of a sub-divisional officer who is the principal assistant of the Collector of the district and is also responsible to him for the maintenance of the law and order.

Similarly, in Tamil Nadu, districts and sub-collectors are part of IAS. Each division comprises two or more taluks. These officers serve as a link between the Collectors and the taluka officer. Maharashtra also has revenue sub-divisions or *prants*. A *prant* consists generally of three to five *talukas* and is under the charge of an officer of the grade of an Assistant Collector or a Deputy Collector.

The *prant* serves as an effective instrument of decentralisation and in both Maharashtra and Tamil Nadu provides a training ground for the new appoint to the Indian Administrative Service. All of such officers are served with both revenue and magisterial functions.

Sub-Divisional Officer

The Sub-Divisional Officer is a colleague of the Collector, occupying a position in his subdivision which the Collector does in the district but carrying out the orders of the Collector faithfully. Like the Collector, he is a generalist administrator of an area and is in touch with other government departments in his sub-division and acts as the head of the extended team. The Government expects him to have the same general knowledge of his sub-division as the Collector has of the district. The Collector holds him responsible for honest and proper discharge of duties by the subordinate revenue staff including those of the village and for keeping him informed about all things and men in the sub-division including matters relating to law and order and the general well being of the people. He acts as a connection between the Tashildar and District Collector and in matters of revenue, and the District Magistrate and the Station Officer in matters relating to law and order.

According to S.R. Maheshwari, the sub-division of the district may be categorised into two groups: a touring type sub-division and an office type sub-division. In the touring type sub-division where a sub-divisional officer does not maintain any office, he is a touring officer, broadcasting it to his chief of the district, getting in touch with people, collecting information, looking after the implementation of the governmental activities in his sub-division, and lastly looking after the subordinate officials. In the office type sub-division the Sub-divisional officer (SDO) manages an office just as a Tehsildar or a Collector does. Here, the sub-division's headquarters is usually situated in the sub-division itself. This type came into existence during the earliest phase of British rule in India and has since continued. The States which represent this type are Rajasthan, Karnataka, Andhra Pradesh, Assam, Gujarat, Maharashtra, Tamil Nadu, Orissa, Bihar and Bengal. The Sub-divisional officer is primarily an inspecting, testing and supervising officer, hearing appeals and trying

cases. He moves about the village and ascertains the villagers' grievances and wants, and gains experience.

Thus, the Sub-divisional officer is an integral part of the District Administration. Besides, law and order duties, he is responsible to the Collector for the maintenance of maps and records of his sub division, assessment and collection of land revenue. Appointments and transfer of lekpals are made by him and the responsibility for their disciplined working rests on him. Inspection of the office of the registrar Kanungo in the tehsil is an annual feature in which special attention is paid to the mutations in land records, timely and correct preparation of statistical returns regarding crops and area holdings, land revenue, and rentals, crop failure and remission of land revenue, etc.

The list of services offered by the Sub-Divisional Officer/Magistrate includes the following:

- Court Case process and the judgement of copy
- Renewal of armed license
- Registration
- Driving license

Court case process and judgement of copy

It is the role and responsibility of the Sub-divisional Officer to take over copies of court cases and proceedings with the responsibility of pending court cases

Renewal of armed license

The situation in which the arms license is issued by the sub-divisional officer, then it is his prime responsibility to renew that arm. The only requirement for the renewal is a police report. Once the police report has been submitted, the arm license is renewed for three years.

Registration

The registration of birth and death is also a big responsibility of Sub-divisional officer. In addition, vehicle registration is also a significant duty of the Sub-Divisional officer. Most vehicle related processes are done in the office of SDO including cancellation, NOC, vehicle transfer, etc.

Driving licenses

The SDO office also provides the provision of making driving license for all the person residing in the sub-division.

Subordinates of Sub-Divisional Officer

Each sub-division is divided into two or more administrative areas that are called Tehsils and Talukas. Tehsil is present in Andhra Pradesh, Jammu and Kashmir, Rajasthan, Punjab, Haryana and Taluka is found in Kerala, Gujarat, Madhya Pradesh, Tamil Nadu, Maharashtra and Karnataka.

Each Tehsil is under the charge of a Tehildar who is an officer with gazetted status and is subordinate to the sub-divisional officer. The various functions that the Tehsildar performs are the following.

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- He acts as an assistant collector and is responsible for revenue collection. He is considered to be the sub-treasury officer.
- He proposes remissions to the District Collector in distress times.
- He is responsible for the maintenance of law and order within the area of Tehsil.
- In big towns, he has to look after all the important visitors, both officials and non-officials.
- He has to submit numerous reports on every conceivable subject, he has to hear grievances of and generally keep in touch with the people of his tehsil.
- He also extends cooperation and help in the development work.

4.2.1 Block Administration

In this section, we will study about block administration.

Block Development Officer

The Block denotes a territorial demarcation which has, however, been systematically revised to make adjustments for changes in population and other demographic characteristic. At the block level, a Block Development Committee was established with the sub-divisional officer acting as its chairperson, and a Block Development Officer acting as its Executive Secretary. A Block Development Committee is the first supervision unit in the scheme of vertical field coordination of Village Level Workers (VLWs) and the panchayat secretary's activities. It is the lowest field agency of horizontal coordination of specialists directly working in the Block office as also those functioning separately from it.

The Block Development Officer is the secretary and officer-in-charge of the panchayat samiti in his block. In most of the states, the Block Development Officer (BDO) belongs to the state service and is deputed to the panchayat samiti. He is like an entrepreneur. His job is to organise the available resources and put them to optimum use.

These are promotee officers, originally from the subordinates' services in the state. Moreover, in certain states, a few posts of Block Development Officer are reserved for political purpose and social workers.

Machinery of implementation

Within the official hierarchy of the district, the Block Development Officer occupies the most important position as far as implementation, of development programmes, are concerned. Through the Block Development Officers, the district development agencies, the financial institutions, the concerned departments of government, the Block level officials and the village functionaries are brought to a common meeting point. The entire implementation of various programmes of rural and tribal development is carried out under the strict supervision of the Block Development Officer. He is consulted by the government departments such as soil conservation,

forestry, irrigation etc. for data regarding feasibility of the programmes. The Block Development Officer is assisted by one Additional Block Development Officer posted in the Block and an army of 15 extension officers drawn from various departments of the government who act as the field staff of the Block. From among the Extension Officers, one is posted as the Progress Assistant who is the core functionary of the Block in the matters of development. He keeps all statistics and records regarding the basic information of the area and also the developmental taken up there.

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Roles and functions of Block Development Officer (BDO)

Figure 4.2 illustrates the functions of the BDO.



Fig. 4.2 Functions of the BDO

BDO in-charge of the Panchayat Samiti Office

The BDO receives and attends to the post at the panchayat samiti office. He maintains administrative control over the panchayat samiti personnel and can appoint class IV employees in his office. He approves the tour programmes and travelling allowance of the staff and certifies the documents of the panchayat samiti. He is expected to inspect the Panchayat Samiti Office at least twice a year. Further, he is in charge of all arrangements like boarding, stay, provision of vehicle, etc., for the higher officials touring the block. Notably, a BDO helps the panchayat samiti in the framing of the budget, keeps an eye on the income and expenditure of the samiti, sees that revenue is being obtained on time and that the expenditure conforms to the budgetary provisions. Besides, he presents a detailed account of the income and expenditure to the panchayat samiti. The BDO ensures maintenance of the lists of the persons who have been given loans by the samiti through the panchayats, VLWs and Extension Officers. Besides, he ensures that the funds are utilised for the benefit of the samiti and reports cases of the misappropriation of funds to the higher authority.

BDO as the Secretary of Panchayat Samiti

The BDO is the secretary and chief executive officer of the samiti. He issues notices for the meetings of the samiti and of its committees and prepares their

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agenda. He participates in these meetings and answers queries, but does not enjoy voting rights. He maintains a record of the proceedings of the samiti meetings. In fact, the maintenance of all important records and the documents of the samiti is his responsibility. He also sends a report about the working and progress of the samiti to the *pradhan*. Moreover, he draws and disburses money out of the samiti funds, takes steps to remove irregularities in the samiti accounts, provides information about the working of the samiti to its members, and helps the panchayat to draw up development plans and programmes.

BDO as manager of development programme

At the Central, state, district and block level, the various government departments and agencies formulate plans and programmes for the socio-economic upliftment of the rural population. It is for the BDO to see that the tasks delegated to the panchayat samiti in this regard are completed on time. Further, he is expected to ensure that the construction activities taken by the samiti are completed within the stipulated time. Moreover, he keeps an eye on the expenditure incurred on these programmes and reports to the panchayat samities, zila parishad, DRDA, collectors and concerned district officers on the delay in the progress of the work.

BDO as the captain of extension officers' team

In almost every panchayat samiti area, there are about four to eight extension officers, working on deputation from the state government. They are posted to junior positions in various government departments and as they are subject specialists in areas such as education, health and agriculture, they provide technical advice, suggestion and assistance to panchayat samitis. They all work under the supervision and control of the BDO who has to coordinate the activities of these officers, and, besides, act as the link between them and the district administration. The BDO prepares the confidential reports of extension officers, sanctions and cancels their leaves, gives them necessary guidelines, conveys government instruction to them, and in case of their non-cooperation, reports the matter to the respective district level officers.

The control of the BDO over extension officers has resulted in a problem which could cause a deadlock at the samiti level. For day-to-day administration, these officers are under the supervision of the Block Development Officer. But, as regards, technical matters, the extension personnel continue to function under the control of their respective district level departments. This leads to a duality of control, thus violating the principal of unit of command. The extension officers have two masters to serve: different sets of orders issued by the BDO and by the 'parent' departments which might lead to ambiguity and delay. It is, therefore, vital for the BDO to meet the extension officers regularly and as far as possible, refrain from giving them the orders which are inconsistent with those issued by the technical departments.

CHECK YOUR PROGRESS

1. Write down any three characteristics of district administration.
2. In which year was the post of Divisional Commissioner first created?
3. State any two major functions of the officer of the Divisional Commissioner.

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4.3 CONSTITUTIONAL BODY UNDER 73RD AND 74TH CONSTITUTIONAL AMENDMENT OF THE INDIAN CONSTITUTION

The concept of local autonomy versus state powers is outdated. If the government is to function as a service for the benefit of the people, state and local administrations must work as two active and cooperative members of a partnership. For this purpose, state controls over local government bodies should be subtle and carefully balanced to forestall malpractices while avoiding any tendencies which stifle local initiative. These controls should be reduced in number and rationalized by working out model bye-laws, regulations and budgetary patterns. State governments ought to intervene only when prescribed standards are not adhered to, allowing local bodies to frame their own particular procedures and regulations. Inspectorates of local bodies should be established by ministries of local government to maintain specialized and sympathetic liaison between the two partners. These are among the suggestions spelt out in detail in the article below. Development and progress of local institutions in India is of its own peculiar kind. Local government, as it existed at the time when the British withdrew from the country, was a product of slow and gradual evolution. This growth had not been that of a federation of smaller units into a large unit to deal with common interests but the much more difficult and tortuous process of slow devolution of powers from a highly-centralized authority to local units. The underlying motives of British rulers also underwent changes from time to time.

It is not only essential that steps should be taken to see that authorities efficiently perform the jobs they have been given to do, but it is also essential that local authorities should not exceed their duties by engaging in ventures for which they have no legal authority. The interests of the local bodies and state governments are so closely inter-related that a high degree of coordination and cooperation is necessary between them. Due to increased mobility and speedy communications and changes in the concept of governmental functions, many activities which were formerly regarded as purely local, have now to be viewed in the national context. The state and local government relationship is, therefore, no longer to be considered from the antithetic angle of local autonomy versus state powers but rather from one of partnership and cooperation aiming to secure the best possible and most efficient service for the people. The kind of relationship between central and local government that has to be aimed at, is neither control of local government by central government nor such concurrent powers as would be appropriate for the units of a federation. Rather the

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optional relationship would be a partnership of two active and co-operative members, but with the central government, definitely the senior partner.

The state and union governments must play an innovative and supporting role to strengthen the municipal administration so that it may perform its tasks efficiently and effectively. To achieve this objective, there must be a working relationship which implies on the part of the state government an increased emphasis on guidance, research, advisory and consultative services, technical assistance and training programmes and on the local government's side a genuine concern for improving their processes and procedures to the end that decisions can be made and implemented speedily and efficiently. Since local government has a direct and profound effect on the working of the democratic system, the state government has to provide the right quantum as well as the right type of assistance to the local authorities to invigorate and strengthen them. In local government it is clear that some system of control by the central authority is required for popular direction, unification and coordination of the services of local authorities. Otherwise the standards and extents of these services would be dissimilar in many districts and this would be manifestly unfair to the population as a whole. For instance, the education of children throughout the country should conform to accepted standards, and that schools and teaching in one area should not be substantially inferior to those of another area. Similar considerations apply to other services. The union and state governments should not have a negative approach of restricting the initiative, discretion or assumption of responsibility on the part of the local bodies, but they should adopt a positive approach of helping the local authorities to become increasingly self-reliant.

However, in the year 1993, a unanimous agreement took place in the parliament, which was in favour of introducing of local self-government all over the country. This was done in line with the 73rd and 74th Constitutional Amendments that gave these local self-government bodies a status in the constitution and an independent identity. Consequent to these alterations, India's two-tier federal structure of a union government and 28 states underwent a transformation into a three-tier system. The question here arises that whether this decision should be considered as a significant move in the direction of local government and also a significant move towards democracy, or just another important step in the direction of local government, in combination with, but not a very significant step in the direction of democracy? The jury is still open since it is considered too premature to come upon a decision. After validating the degree of success achieved by these amendments, the institutions established by them and the societal processes that have been triggered by them require an extensive perspective, based on the lines of history. Nevertheless, the reason that the jury has not yet taken a decision is that they have no clarity about how much is sufficient evidence to come upon a clear judgment. The biggest hindrance is the absolute degree of innovation. There exists a likewise model for urban India. This model comprises of municipal corporations and municipal councils (Nagar Palikas).

Collectively, these institutions have been an addition to the 500 or more members of the parliament and almost 5,000 representatives of the state. In addition to this, there are around three million newly-elected representatives. Out of these,

the amendments specifically state that one third, or approximately one million, shall be women. In addition, it is stipulated that almost 700,000 of these elected representatives should be members of what were earlier untouchable and tribal communities. The constitution describes these two mentioned groups as scheduled castes and scheduled tribes. In common manner of speaking, they are referred to as SCs/STs. By adding such a large category of people to the political map of India, the density of representation of the Indian polity has been significantly increased by the constitution. At present it is a collection of a large number of institutions and representatives. These are extensively distributed across a wide geographical, political and social landscape. The definition of this latest polity is stated in terms of the variations of public way of life, political dynamics and material assets. The area of this landscape will essentially produce, in the form of pure probability, illustrations of both, accomplishment and failure in the operation of local government institutions. What can be regarded as sufficient evidence for us to direct efforts towards several assessment of the reforms? Within acceptable range of things, whatsoever information is available, related to the actual operation of local government can, in the best way, be considered as periodic. In ideal conditions, a theoretical framework is needed, within which the chunks of evidence, as they come into view, are easy to read as important or not worth mentioning. Where there is no knowledge or insufficient information related to empirical evidence, due to the scale of things, one should rely on these type of hypothetical indications for deciding whether an event is to be considered as only one of its kind or to represent a better socio-political fact. Therefore, to validate the operations of these two sets of institutions of local government it requires us to be cautious and methodological. Nevertheless, it can be still said that these changes are a representation of, in institutional terms, a significant exit.

The package of institutions that amendments produce comprise many significant innovations that, if they function in accordance with their design, will render democracy in India to include more and represent more than what it is currently doing. What is the practical degree of functioning of these institutions, on the basis of their design? If they are not functioning to their full capacity, it is important to know the reason for it. As an instance of the complexity in interpretation of evidence, we might consider incidents of hostility directed at the poverty-stricken and exploited untouchables and tribal peoples (also referred to as *Dalits* and *Adivasis*) in the rural areas. These incidents seem to be on the rise ever since the passing of the two amendments. An explanation of these incidents could be provided in terms of the rise in resolve of the dominant castes in order to protect their cultural privileges against being taken over by *Dalits* that is, by approving a policy to push them back to where they belong, in terms of the societal hierarchy. There are rare instances where this type of violence and aggression by the dominating castes, directed towards *Dalits*, is penalized by the state authorities. With the help of this type of interpretation, it can be concluded that the *Dalits* of present times are usually in a condition which is worse than their past state, when violence on the basis of caste and status was widespread but had not still assumed a political outlook, as seen currently. This higher degree of violence could also be visualized in terms of a struggle by *Dalits* to

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get away from generations old domination and disgrace. This resistance was made feasible by the opportunity space shaped by the political reforms. As per to this analysis, the *Dalits* of recent times can be considered to be economically better than what they were, prior to the amendments. The reason for this is that they are setting the base of a new, democratic order. To put it across in simple terms, in what way can the large number of reports of violence against *Dalits* be interpreted, in terms of the short period in which people are killed, homesteads set to fire and women raped or in terms of the long span of time in which the goal of equal citizenship becomes more attainable?

The question here arises whether this body of evidence can be considered as a benchmark of the success of decentralization or of its failure? There are two reasons for raising this issue here. The first reason is that most of the reports and a large number of studies on the decentralization of democracy in India, after the 73rd Amendment, are either intensely evangelical or excessively doubtful. The second reason is that debates on democracy in India will always be between two groups of people, firstly, those who are amazed at its accomplishments and secondly, those who ridicule its assertions, since these judgments are usually based only on the small and not the big picture. Both sides have the tendency to be in a hurry and are biased. Nevertheless, the big picture of democracy in India, comprises of elements of: achievements and disadvantages, giving the citizens power and taking away power from them, a reduction in undemocratic spaces and an addition in the randomness of those in authority. To say this is not to beat around the bush, but it is, on the other hand, to recognize the paradoxes that play a role in the transformation, through the politics of democracy, a socially and economically non-egalitarian society into one that is egalitarian in terms of politics. While recognizing the absence of a clear image, here there is an effort to make a judgment on the decentralization experiment that is underway in India. There are three sections. The first focuses on the issues that are of importance to understand the two amendments. The second one analyzes the functioning of the institutional advancements, particularly the village assembly (Gram Sabha) that has been introduced by the amendments. The third makes an effort to position these new local government institutions within the larger scheme of India's federation.

The policy of decentralization became a matter of concern in the colonial times, with Lord Ripon's Resolution in the year 1882 and for a short period, an issue of discussion in the constituent assembly. The debates of the late 1940s were directed at the possibility of establishing an optional structure of government. After the period of independence, thoughts and ideas related to decentralization gained from the considerations of many committees, inclusive of the three chaired by Balwant Rai Mehta, Asoka Mehta, and L.M. Singhvi. During the late 1980s, both, Rajiv Gandhi's and V.P. Singh's governments launched the constitutional amendment bills that were failures. These attempts bore fruit in the 1990s, taking the shape of constitutional amendments during the time when P.V. Narasimha Rao was the prime minister of India. When they were enacted, more than a creation of the century, they were more of a creation of history. An enormous intellectual reserve on decentralization was shaped which informed the framing of the Amendments. It is valuable to

recognize this intellectual history because of the large number of solutions it offers, which have been debated since a long time. There is a storehouse of information related to local government, experiments that have not been successful and those that have succeeded.

The second issue is that the amendments were not propelled by the demands of social or political activities, or other pressures for delivering public goods, but by the concerns of the policy community and the political elite for making governance better, particularly in rural India. It was noticed that the state of development was not successful in delivering. This was noticed in terms of the coldness, negligence, absence of answerability, inactivity of the delivery process and in addition to this, the capability of the rural elite, since it is they who are controlling the local power structure, to target the openings offered by the different government schemes. The process of decentralizing planning, as well as power and functions and democracy, was hence considered to be a key to this continuous irregularity of power. The belief that the solution lay in the decentralization of planning was due to the slackened speed of gains that flowed from the infrastructure that already existed, as pointed out by the sluggish development of productivity and inadequate percolation of benefits to the economically deprived and the socially underprivileged segments. This was although there was an abundance of many poverty programmes to bring down the level of poverty.

It was experienced that centralized planning was not successful in solving the fundamental problems of the poor, the unemployed and those related to discrimination. In addition to this, there was also a feeling that decentralization of democracy would give rise to many benefits. One was breaking away from the domination of the rural elites in terms of the use of resource and distribution by giving more authority, for instance, to up till now, deprived groups in the distribution of state welfare schemes. Another was a more extensive participation of secondary groups in the planning, implementation and monitoring of those activities of development that are capable of influencing rural areas. Additional benefits were the development of a more objective and maintainable utilization of local resources; an enhancement in the answerability of local administrators; a decrease in the charges of service delivery; a more competent higher-ranking bureaucracy, relieved of usual responsibilities that are more efficiently performed by subordinate officials; a more representative political system with improved legality and essentially, endorsement of self-esteem and motivation among underprivileged groups with the help of this movement of political empowerment. The amendments were considered to create institutional space and ability to meet these goals.

This involvement with the results of development of decentralization gives rise to a third issue that is worth mentioning. Keeping in mind the long history of reforms and its roots and the apprehensions behind them, the proposal of decentralization in India should be positioned first and foremost within the discourse of progress. Other discourses that are a part of the programme of decentralization, such as democracy, federalism, law, equity and justice, should be visualized as assisting discourses. It is important to acknowledging the stress of India's decentralization on progress for the simple reason that it distinguishes it from discourses on

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decentralization in other areas across the world. It is a reminder that just like the first two-tier federalism was imposed as part of India's centralized federation, so was the third tier. For instance, giving more power to women was part of the proposal not because they were not given equal opportunities by patriarchal structures, but because they were considered as means who would make use of rural resources in a more sustainable manner. In addition, they were also considered to be less crooked. It was expected that they would contribute in a better way to the overall progress of the village. The democratic surplus of decentralization was hence considered as secondary consequences and not as primary targets, of empowering women.

The key goal was development. These three features of the decentralization discourse in India, in an indirect way, gave the proposal its exclusive nature. Since development was the aim of package of institutions that were set up by the decentralization scheme, first and foremost the complete abolition of poverty in rural areas, it had to issue into its plan the matrix of social and economic power as it existed. This is the fourth issue. Rural power in India is represented across three factors. First is the caste system, which dominates relations between persons and even more between groups, by means of its ideology of building segments, elimination and disgrace. Second is patriarchy, which gives a definition of the terms of gender relationships, particularly in the community sphere. Patriarchy gives women a submissive position. It denies them the gains of equality of citizenship. Third is land, which is the material base for social life and positions the circumstances for a social exchange that displays a feudal quality in most areas of the countryside. Right to the use of land and the struggle for it is basically very important for the livelihood of the larger section of the population. The character of the power matrix turns out to be clear when the patterns of owning land are placed over the caste profile of a region. As a rule, *Dalits* are not only the disgraced castes but also the ejected ones. A research by the SC/ST Commission in April 1990 linked atrocities both, to caste discrimination and untouchability on one hand and political and financial issues concerning property, income, indebtedness, bondage, etc., on the other.

Disputes linked to land are recognized as the sole most important reason, inclusive of conflicts linked to implementation of land reforms, allocation of agriculture territory and housing sites, grievance against a good crop raised by *Dalits*, use of village land, etc. Similarly, any attempt by *Dalit* agricultural labour staff to agitate for logical remuneration is usually retaliated with violence by the land-owning classes. In rural India, these three axes are closely associated. The lines of both, poverty and pollution are coincident. It was in this situation that the package of decentralization institutions, directed at tackling the issue of rural poverty with the help of improved governance was introduced. The amendments were directed at tackling this power matrix by restructuring and introducing reforms to the existing Panchayati Raj institutions. The politically influential and the policy makers created an institutional design that comprised of and attempted to encompass disadvantaged groups in governance. This was done through the incorporation of a few novel features in the 73rd and 74th constitutional amendments. One explanation of the underlying principle of the amendments was that the union government wanted to destabilize the power of the state governments (the second tier) and make the third tier more powerful.

Prime Minister Rajiv Gandhi's proposal was visualized as part of this conspiracy. Though a little bit of credibility can be given to the dividends that are brought by this political calculus, the fundamental concern was development. With this, we come to the fifth issue, the ground-breaking characteristics of the two amendments. Their assessment makes sense only when we take into account the following four points: the long lineage of the existing ideas on decentralization, the driver of the decentralization programme being the scholarly and policy community, the progress discourse being the spot of its chief site, along with the matrix of rural power that these novel institutions had to contend with. These pioneering characteristics are thus best understood in the backdrop of rural society. They are built on certain assumptions about that society that now, ten years into the operation of these institutions, need a revisit. A large number of the features of the 73rd Amendment are common to the 74th Amendment, which sets up a three-tier system for urban areas. There is an additional attribute of both that is significant to be noted. A district planning committee is to be established under Article 243ZD, to strengthen the plans made by both, Panchayats and municipalities and to make a draft development plan for the district as a whole. The means of access of the two amendments discloses a paradox; the most central of instruments, a constitutional amendment, has had to be used for the creation of a third tier of decentralized institutions of governance. This paradox in fact captures the tension that is at the base of the revolution of Indian society. The state goes forward with the cause of an egalitarian order with the help of the most powerful device that it has at its disposal, a constitutional amendment. In this manner it creates democratic institutions in the face of resistance from the entrenched holders of power in society.

The state, at least in one of its forms, therefore, should be seen as the locus of a movement of development by envisaging a society and polity on the basis of an equal citizenship. Decentralization should hence be acknowledged as the initiation of a dialectical fight back between the democratic thrust of the institutions of local government on one hand and the anti-democratic rebellion, or attempted subversion, of democracy by the arrangement of rural power on the other. The large number of recommendations for improving decentralization should therefore be considered as stages in this class and caste struggle. Such a form of reflexivity is mandatory for any exercise of democratic alteration. Institutions have to be evaluated from time to time considering the new evidence and the new perspectives and discourses. It may still seem too early yet, but as mentioned earlier, new evidence coming in, though not sufficient, still needs to be examined. How does this decentralization initiative relate to the discourse on federalism? Obviously, the constitutional amendments changed India's two-tier federation into one that is supposed to be three-tier. Nevertheless, making changes in the law is a different thing than bringing it into actual practice. Till date, there has not been much of evidence to prove that the states recognize that local governments are not any longer owned by them, that they are whole subordinates of state policies. On the other hand, they are expected to be part of a synchronized system where each of the three orders of government bears a responsibility to the constitution. Perhaps, it might be possible for the union government to bypass state governments and come forward to support local authorities. This has been done in

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the US. However, in Canada, which is a parliamentary federation like India, the attempt by one prime minister, Pierre Elliott Trudeau, to do this did not succeed. It may be possible to tease out a few of the concerns from the 73rd and 74th Amendments, by distributing power that stirs federalism. But practically speaking, the institutional configuration that has so far emerged is submissive to the second tier of government.

Local government in both, urban and rural India, though has a mandate in the Constitution, it has a very feeble presence in its own right. Its control lies with the state governments, which have retained many powers. They also have the power to frame rules, to make amendments in the content of agenda, to employ officials, to give notice to the Sarpanch, to revoke resolutions or decisions of Panchayats, to disband Panchayats, to examine records/works and so on. This is the reason that state governments are superior to local governments. Hence they violate the basic federal principle that no order of government should be secondary to another. Further, local governments lack the power to pass legislations, nor do they have the authority to approach the courts to rule upon disputes over relevant constitutional powers of the second and third tiers of government. Actually, there is no case law on local government in India as there is in the United States.

Though local governments have the status of a constitution whose fundamental features, such as the four innovations mentioned in the next section of this unit, cannot be amended by the second tier of government, they are not able to work as units of self-government. They rely on state governments that have conceded only political decentralization, not economic decentralization or the administrative decentralization of control and role. If the structural issue of the type of the arrangement of powers and jurisdictions were not considered, local government in India would not be able to pass the other test of a special mode of political and social behaviour, which involves a commitment to partnerships and dynamic collaboration on the part of persons and institutions that at the same time are proud of safeguarding their own integrity. There is no dependable obligation among the states' political leaders to these kinds of liaisons for the simple reason that their acceptance depends on whether it will be of use to them in keeping hold of or obtaining political power. The support from politicians is dependent on their convenience. On the other hand, there is a commitment towards local government at the first tier of government. But this should be seen in terms of development and not in terms of democracy and federalism. The grassroots of India's new democracy deserve better nurturing than they appear to be receiving.

4.3.1 Reforms in the Urban and Rural Bodies: 73rd and 74th Constitutional Amendment Acts

With respect to rural India, reservation for women, *Dalits* and *Adivasis* gives these groups the accessibility to the symbolic capital that they need for their struggle for a just order. The amendments have produced the institutional opportunity, which should be considered as a big step in moving the goals of an inclusive democracy further. It still remains to be seen what actually takes place when these councils meet and function. Sociological studies need to be organized all over the country for identifying

the conditions in which these marginalized groups are able to take up this opportunity. Our general understanding of the village tells us that it will not be easy for entrenched groups to permit institutional empowerment and they will cause hindrances in the way of these marginalized sections. It is hence important for us to know what these obstacles are, how they differ in form and substance from region to region, ways and means to overcome them and the resources that are needed to triumph over them. We also need to know if these groups are able to use the resources that are available, in what way they can access those resources and so on. Researches prove that for using this institutional opportunity space in an effective way, literacy, some material security and social capital, along with other things, are required by these groups to overcome the multiple layers of domination that mark their condition of existence. Despite the presence of these obstacles, the reservation route is a major institutional advancement, which over a period of time, will result in thinning of the prevailing power asymmetrically. This is due to fact that at the very minimum, they give a vocal platform and a public face to groups that have so far been denied these opportunities. This in itself is a big advance.

The second advancement is the institutionalization of decentralized planning with the help of a mechanism of the district planning committee (DPC). The DPC attempts to make an integrated plan for both, rural and urban areas in the whole district. The reason for this here is that people must play a role in the planning process so that it is participative and therefore presumably in synchronization with needs of the people. It not only creates stakeholders, but also results in the social resources being used with an egalitarian distribution. DPCs are the only planning bodies that are empowered with constitutional sanctity and are gradually being established in a large number of states. Despite of this, their integration has not been done seriously into the planning process. Where people campaigned to have Delhi's ninth plan incorporate decentralization they did so not through the institution of the DPC, but through the State Planning Board. There are a number of arguments for having plans that have been produced by DPCs. To begin with; they come up with a plan for distributing resources that is more in synchronization with local needs. This is not like previous plans that were imposed from higher levels of hierarchy. Hence their legitimacy is higher. Secondly, the concerned process has valuable educational consequences for a large number of people, related to issues like the relevance of rules and statutes of local government, techniques of Participatory Rural Appraisal (PRA), micro-development models, project formulation and appraisal and general issues that concern the challenges to development.

The third pioneering characteristic is the emergence of two new commissions, State Election Commissions (SEC) and State Finance Commissions (SFC). The job of the SEC is similar to that of the Central Election Commission (CEC), which is to supervise, direct, be in command of and conduct all elections to the Panchayats and *Nagar Palikas*. This has made sure that elections are held at standard intervals, are just and unbiased, are openly contested and that state governments do not try to delay or invalidate results of the elections, as they have repeatedly and carelessly done in the past. The reliability of the electoral process, in the form of selection of one's governors is hence retained. The long-term gains of such state authorities are

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dual. SECs will produce a power that will countervail the dominant power structure because now the excluded castes will be able to use the vote for increasing their power to bargain. This will also increase the accountability of the local representatives and their responsiveness to local needs because the distance between elected and elector is much less than in the case of higher tiers of representative government. Ever since they have been established, SECs in a few of the states have had to experience problems related to matters such as election notification, setting the limits of constituencies, reservation of seats, turning round of reserved seats, etc. However, these should be considered as part of the dialectics of power between the second and third tiers of government, which over a period of time, contribute to institutional evolution.

The second commission, the SFC, has not achieved much success in transferring the finances of the state to the third tier; this is the reason that, financial decentralization has not been able to move along with political decentralization. Still there is no expanded information related to the operation of these authorities, and hence evaluating them is not easy. However, their characteristic of just being points out towards a rise in the institutional density of representative democracy at the level of local government. So far Gram Panchayat was the only institution that local government had. However, along with the addition of the SEC, SFC and Gram Sabha, the number of institutions related to local governance has gone up, thus being a contribution to institutional density. It is expected that this will make local government governed by rules, to a greater extent. In a Weberian sense, this can be considered as making up before hand. The added advantage of the SFC is that what it recommends will, over the period of time, come to be considered as the benchmark for discussions on the financial factors of decentralized governance. One significant effect of conducting of regular elections is that it churns out a new contest for local political leadership. Even though conventional brokers of power still function, their competition now will be with new competitors. Elections for the third-tier adds to the representative concentration of democracy in India, because now the number of elected representatives in the polity has increased considerably from under 6,000 to about three million. These bring in a new dynamic into the functioning of the polity since these representatives are now available for helping people in negotiating their way through the system. They can be referred to as the new fixers of local politics.

The fourth advancement and one which can be considered of much value, to a certain degree, is converting the village assembly (Gram Sabha) into an institution. Here every adult member of the village will be able to come and deliberate on matters related to the village. The majority of villages have less than 1,000 inhabitants. The underlying principle behind the conception of this deliberative space is not just to pull the democracy downwards, or to expand involvement, but also to bring together representative democracy with direct one and consequently draw the benefits of both. The village assembly is supposed to work like a watchdog and keep a check on the functioning of the village council (Gram Panchayat). The formation of such a prospect for debate, a deliberative space in which everyone can be a participant, within an Indian village that is marked by the boundaries of caste, class and gender, is by all means a major step. These are limitations that have been instrumental in the

function of disciplining social behaviour in the village. Over a period of time, they have become a part of people's life-world. If crossed, in breach of norms, the effects can be disastrous. In this kind of a village, a deliberative space that is accessible to everyone, where groups are required to interact, is now being created through law. In this sense, the law is progressive because it does not make allowances to the matrix of rural power. In actual terms, it attempts to destabilize this matrix through its strategy of reservations. The list of 13 functions gives the village assembly (Gram Sabha) a fairly wide jurisdiction. Yet, the Consultation Paper on Decentralization states that the experience of the last seven years of the post 73rd Constitution Amendment phase shows that the Gram Sabha is yet to emerge as a forum where common people can participate in the process of collective decision-making.

Attention has been drawn to the Gram Sabha because it is an interesting case study for the important theoretical debates on political institutions. Two aspects of these debates need to be tested. The first aspect is the classical view that 'institutions are not only the rules of the game' (but) they also affect what values are established in a society, that is, what we regard as justice, collective identity, belonging, trust, and solidarity. Given what was said earlier about the nature of village society, about boundaries and their crossing and the penalties that flow from such behaviour, it would be interesting to map how the Gram Sabha is able to affect what values are established in society and how the clash of those values of the village assembly, of inclusion and equal citizenship, and those represented by the traditional caste and patriarchal structures, of exclusion and hierarchy, play themselves out. The second aspect is the view that political institutions not only distribute power and influence, or discipline society, but also influence how various groups come to define their political interests.

They influence their strategies because they determine: who are the legitimate actors, the numbers of actors, the ordering of action, and what information actors will have about each other's intentions. This view holds that small and seemingly unimportant changes in institutional rules can affect strategy and greatly influence the outcome of political processes. We need therefore to discover how the discursive and public character of the village assembly meant the individual's preferences, or those of groups, which causes them to define their self-interests once more. One strategy that has been taken on by commanding groups is to alter the rules of the game in ways which are believed to serve their benefits, by retaining and extension of that power. In terms of this institution-society dialectic, there are three problems that need to be argued on at the time of accessing data related to the functioning of village assemblies. To begin with, we need to know that to what extent institutions discipline society. In other words, what is the rate of success of the assembly in setting up a form of social behaviour that is consistent with the rules of the institution? Does it, for instance, produce in the participants' recognition related to the equality of members, an equality that is neutral on the scales of gender, caste and class? Does it succeed in producing a commitment to the procedural integrity of the institution or of its autonomous authority? Secondly, to what extent does the power structure in society undermine the institution? In other words, if the rules of the institution are not in synchronization with the norms and mores of the society, will the norms undergo

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any alteration or will the rules come made to order and unclear? Third, is there a threshold point, which depends on the critical mass, on speculation and on location, when one logic gives way to another? It is important to understand the requirements to achieve this threshold. The functioning of the village assembly has to be visualized in terms of this dialectic. The data that emerges from the ground is starting to provide a sense of the active relationship between the external areas and the internal groups. Are the external areas eating the internal groups or is it the other way around? The experience of manipulation of the Gram Sabha has since been approved by other observers who have talked about a few of the ways in which this is done. This state of affairs has been worsened by the factual data, as reported in Andhra Pradesh, that Gram Panchayats are not strong in terms of functions and finances and are not able to take the responsibility of providing fundamental services and community development. As a rule, the people have no faith in the PRIs and they hardly have any incentive to attend the meetings of the Gram Sabha at the cost of their time, wages and own work. A few of these weaknesses can be triumphed over by government orders, such as a fine-tuning of the law that states the days and the frequency (a minimum of two) when the Gram Sabhas are to be held, for instance, the holidays of 26th January, 15th August, or 2nd October. Others need to be taken care of through political means, particularly by a stronger political determination to transfer authority, functions and finances, or by social action. From the above explanation on the functioning of the Gram Sabha, three issues seem to require additional reflection. The first is low turnout. Is this due to the apprehension of partaking, a prudential approach on the parts of the feeble and vulnerable sections in society? Is it because of the inconvenience of the site? Is it the timing of the Gram Sabha, with women, *Dalits* and *Adivasis* being handicapped in particular? Is it due to the ineptness of the Gram Sabha, since in a large number of the states it is chiefly a body that provides recommendations? Is it because of a universal political indifference? We need to examine why the turnout at Gram Sabha assembly is so low because good attendance is at the very heart of the project of decentralized democracy. It creates lucidity, answerability, accountability, contribution, political self-realization and improved governance. In case of a good attendance not being present, the rural oligarchy will persist to rule and does so now by bringing into play the authority of the Gram Sabha and providing a democratic face for oligarchic governance.

One practical interpretation of the reason behind low attendance is in terms of the prospects and expenses of participation. These prospective costs turn out to be high among the poor sections of the society and in particular, among those women whose family obligations hardly permit them any extra time. There is no assurance that the poor communities will be able to make themselves heard sufficiently, in the Gram Sabha. A few of them may find that it is easy to get things done with the help of their conventional representatives instead of participating in a large body like the Gram Sabha, which stresses on the requirement of skills. These are the basic facts that have to be contended with while taking into consideration the position of the Gram Sabha with respect to the Gram Panchayat. The other issue is the manipulation of records by the Sarpanch or Panchayat secretary. This problem cannot be resolved by creating more procedures for the simple reason that the issue of manipulated

records raises the classic problem of who will supervise the concerned supervisors. One of the solutions is to depend on instruments external to the formal PRI system. Dependence on the freedom of information movement has been recommended. This has substantial merit, the outcome of which should be a more transparent system. However, this route too has had to contend with hindrances such as the ones discussed about below:

Institutional innovations need to be retained and maybe incessantly restructured, otherwise they become a schedule. Inertia sets in and the privileged democracy again wins over the people's democracy. Hence, it is important to remember that the struggle for good governance is not just the measures to an end but the end itself. The process is the objective. The third issue is that of the aggression that the overriding groups in the village let loose on the weaker groups that seek out to use the Gram Sabha to put across their claims. How does one deal with this type of violence, particularly pertaining to a police force that is controlled by the dominating castes, that is not sensitive and not attentive to the predicament of the suppressed groups and that actually speaking embodies the mores of traditional society? When envisioning the power of the PRI, one has to consider the phenomenon of retaliatory hostility, mainly since it is aimed against the most unprivileged sections of the society, people who have minimum access to the redressal equipment of the state. From this concise description of the functioning of the Gram Sabha, it is obvious that the battle between the fence and the field is on. The Gram Sabha, as a modern institution, is making an attempt to regulate the traditional society that, as pointed out previously, is antagonistic to the idea of a rational debate that is based on the prescribed rules. In this struggle, prevailing groups have retaliated by trying to alter the conventions of the game by influencing records, by intimidating the weaker groups when they are staking their claims and by manipulating the procedural and social system to work according to their preference. Their proceedings, nevertheless, do not go without being contested since the marginalized groups also take advantage of this opportunity space for combating the power asymmetries of the village and stake their claims.

It seems that the village assemblies may have begun in the wrong direction, losing out to the well-established forces of conventional power in the villages. As it is believed that the disciplining of society is a lengthy, protracted process, we need to continuously keep collecting evidence from all over the country for accessing the direction of the battle eventually. Considering the numbers that are involved, there is a possibility that it will never be possible for a nationwide judgment to prevail. As an alternative, a record of victories and defeats may have to be kept region-wise. To make the working class democracy stronger, the intellectual and policy influential leaders have offered recommendations, which will make local government institutions more effective. Those that comprise of alteration of the institutional design are very high in popularity, although they comprise of only the essential but not adequate conditions for successful local government, particularly a successful PRI system. Supplementary, extra-institutional initiatives are essential. We need to increase the build-up capacity of Panches, village representatives, from these weaker groups by providing training programmes and offering them a small remuneration. We require associations between voluntary associations and PRIs. The movement for freedom

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of information has to be made stronger. Political struggles should be highly motivated. The text on PRIs is full of suggestions on the ways to increase the effectiveness of local government.

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CHECK YOUR PROGRESS

4. What is DPC?
5. What is the job of State Election Commissions (SEC)?

4.4 PLANNING AND DEVELOPMENT: RURAL AND URBAN

During the period of their domination in developing countries, the colonial governments developed several statutory institutions. The urban local self-government is the most significant among them. Ever since the establishment of the Madras (now Chennai) Municipal Corporation in India, there has been an increase in the number of municipal bodies to manage the towns and cities.

According to the 2011 census, the urban population in India is now above 30 crores, which constitutes 30 per cent of its total population. This population is growing at the pace of 2.4 per cent every year, which, means out of every three Indians, one is living in the urban area. This creates a dire need for urban planning and administration. The people in urban areas need basic facilities like public transport, roads, water supply, electricity, and health facilities. Therefore, the role of the urban local government in India is very crucial. The growing urban population is a sign of overall shift in the basic economic structure of the society. It shows that the economy is changing from an agrarian to industrial or even post-industrial phase. Rising population in urban areas and the rise of big as well as small cities and towns have increased the number of local government bodies in country as well.

4.4.1 Rural Planning and Development

During the Second Five Year Plan (1956–61), the Balwant Rai Mehta Committee was appointed on plan projects by the National Development Council to assess the task of the community development and national extension service. The recommendations and suggestions of the Committee gave rise to a new experimental phase in participatory development through the strategy that is called democratic decentralization.

The main recommendation of the Balwant Rai Mehta Committee was the foundation of a three-level system of rural local self-government with total power to take up the responsibility for local development. The first state in India to introduce the Panchayati Raj system was Rajasthan on 2 October 1959. Several other States, including Andhra Pradesh, Uttar Pradesh, Maharashtra, Gujarat and Madhya Pradesh followed Rajasthan and introduced the Panachayati Raj system. There were two principal types of the adopted Panchayati Raj model based on whether Samitis or

Zila Parishads had more powers. The Panchayati Raj system had been introduced in almost every state of the nation by the 1970s. The new system was introduced as an experiment to include the lowest strata of the society in rural areas in the process of self-consciousness or national development. It was intended to direct the capacity for restructuring the society.

The Panchayati Raj institutions are working in almost all states in India for approximately 40 years. The set up of these institutions varies from one state to another. These institutions differ in the patterns of decision making, implementation and resource allocation, staffing pattern, training and recruitment of staff and the level of autonomy allowed to various parts. It has been pointed out that there is little participation of the people at the grassroots level in decision making. There are problems created by interactional resistance between the official and non-official functionaries, in-built tensions in the system, domination of the elite classes tend in any institution and political influences, and, more significantly, the failure to accomplish the developmental goals.

The Ashoka Mehta Committee was established to assess the working of Panchayati Raj system in 1977 by the Janata Government. The Committee examined the Panchayati Raj institutions at various levels and concluded that the system had gone through the following three distinct phases:

1. The phase of ascendancy (1959–64)
2. The phase of stagnation (1965–69)
3. The phase of decline (1969–77)

There were proposals of certain structural and organizational changes to boost the Panchayati Raj system. However, the Janata government fell in 1980; the proposals were suspended for the time being. It is uncertain whether the recommendations of the Ashoka Mehta Committee, if carried out, could have brought any major change in the relationship between state and common people. The reason is the fact that there are enormous socio-cultural problems generated by decentralization of power was ignored.

From 1980 to 1989, when the Rajiv Gandhi Government put forward a new proposal to reorganize the Panchayati Raj institutions by granting them a constitutional status, the Panchayati Raj institutions apparently remained in suspended activation.

The Rajiv Gandhi Congress Government presented the 64th Constitutional Amendment Bill in Parliament in May 1989. This Bill proposed to grant a constitutional status to elected local bodies at village, intermediate and district levels. The Bill successfully passed in the Lok Sabha. However, it could not win a two-thirds majority in the Rajya Sabha. It was defeated by two votes in October 1989. The Bill was opposed on the basis of the following reasons:

- The Centre had the principal role in dealing with the Panchayats.
- There was little flexibility for state governments to develop a system of Panchayati Raj in accordance with the peculiar current and historical situation of the various states.

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The Narasimha Rao government enacted the 73rd and 74th Constitutional Amendment Acts in December 1992. These Acts came into effect on 24th April 1993. These Acts aimed at ensuring a more participatory role of the Panchayati Raj institutions and decentralization of decision-making capacity. The Acts granted a constitutional status for Panchayati Raj institutions and urban local bodies. It was made obligatory for all the states to establish a three-tier system of Panchayats at the village, intermediate and district levels. The state legislatures had to plan and delegate authority for economic development and social justice. Panchayats have a fixed term of five years. Most of the states have already enacted laws to establish new Panchayati Raj institutions. Seats have been reserved for scheduled castes, scheduled tribes and women in the elected Panchayats. Conduction of Panchayat elections is the responsibility of the State Election Commission. The accounts are audited under the auspices of the Comptroller and the Auditor General.

These Acts have also made a provision for the constitution of State Finance Commission every five years to review the finances of Panchayats and to recommend the principles for apportioning assignment of taxes to the Panchayats.

As a result of the Panchayati Raj Act, the number of local self-government institutions with directly elected representatives increased to around 500 bodies at district level, 5000 at block level and 2,25,000 at village level. A district-level Panchayat covers a population of approximately 1–2 million, an intermediate-level Panchayat a population of approximately 80–200,000 and a Gram Panchayat comprises a village or a group of villages, a population of approximately 1500–8000. The statistics vary from state to state.

The Act provides for a mandatory three-tier system of local self-government institutions for states with a population above 20 million. Small States are given the option not to have an intermediate-level Panchayat. The Act provides for direct elections of Panchayat members at all levels. The chairpersons of Panchayats at intermediate and district levels are indirectly elected by, and from amongst, the elected members thereof.

As a result of the 73rd Amendment Act, approximately all States in India have adapted the new pattern of Panchayati Raj institutions as the principal organizational framework for participatory development in rural India. The participation of citizens, especially of women at the grassroots level, has certainly enhanced after enactment of such statutes by a number of states. The revamped Panchayati Raj System has made common man more aware and cognizant of the developmental attempts and schemes of the government.

4.4.2 Urban Planning and Development

As mentioned before, the structure of urban local self-government is very complex and varies according to the state. Most of the states in India have adopted different structures of these urban bodies. Nevertheless, there is a minimum structural uniformity which we are going to study here.

Municipal governance in India was first introduced in 1687. It was in this year that the Madras Municipal Corporation was constituted. This was followed by

the development of the Calcutta Municipal Corporation and the Bombay Municipal Corporation in 1726. Another important decision in this field was taken in 1850, when the Government of India passed the Improvements in Towns Act creating a system of councillors. The Act gave the councillors the administrative authority. In 1870, Lord Mayo passed a Resolution for local self-government, establishing the system of city municipalities. This Resolution also called for the introduction of an elected president to lead them. Other significant developments that followed the 1870 Resolution were as follows:

- In 1882, the outline and structure of municipal governance in India was created by Lord Ripon's Resolution of Local Self-government, introducing a two-tier system of governance for enhancing governance efficiency through decentralization of functions.
- On the basis of the 1918 Montague-Chelmsford Report, the Government of India Act 1919, based on the 1918 Montague-Chelmsford Report, introduced the system of 'Dyarchy'. In this system, the power-sharing arrangements between the state and the local bodies varied. However, it adhered to the same organizational pattern.
- The District Municipalities Act of 1920 changed the Municipal Councils into elected bodies and gave them the authority to release their own budgets.
- Under the Government of India Act 1935, the local government was brought within the purview of the state or provincial government. The local government was also granted additional powers.

Municipal Corporations and Councils: Composition, Functions and Finance

Municipal Corporation is the topmost of urban local government. Unlike rural government, urban local government in India is not hierarchical. Municipal corporations are usually found in big cities. Large population creates complex civil problems and therefore to solve these problems we need municipal corporations. In different states of India generally municipal corporations are created by special statute in the state legislations and these corporations are directly controlled by the state governments. All the municipal corporations consist of elected representatives of the people and some state elected officials. All the municipal areas are divided into wards which are generally electoral constituencies. These municipal corporations in all the states, except for the state of West Bengal, consist of Corporation Council, the Mayor, the commissioner and a number of Standing Committees.

The post of the mayor is the highest post in a municipal corporation and generally he is elected for one year term from the councilors elected from different wards. The mayor chairs the meetings of the council. Most of the administrative powers are however with the Commissioner who is generally appointed by the state government and is an Indian Administrative Service cadre. Different standing committees are made to deal with a particular issue and these standing committees deal with their own issues. Some of the most important standing committees are related to the budget and finance and establishment and personnel etc. The state of

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West Bengal has a slightly different set up. It has a system of Mayor in Council. Once the mayor is elected he recommends the name of the other members in the council and they form a cabinet like structure. Each of the members of the Mayor's council is responsible for one particular subject and commissioner unlike in other states is under the council and follows the decisions taken by the mayor's council.

In the smaller towns and cities municipalities or municipal councils manage their civic affairs collectively through the municipal board and committees. In all the municipal bodies sub-committees are created to deal with subjects like water supply, sanitation and public works. Unlike in the big cities municipalities head is called chairman and he/she is elected for one year term from among the elected members of the municipality. Just like in municipal corporations the chairman's post is there to chair the meetings of the council. Real administrative powers are with executive officer appointed by the state government. In some of the states like Kerala and Tamil Nadu most of the officers appointed for the duties in the municipalities are given separate charges for a particular subject like health and sanitation. In most of these local bodies the lower level staff is appointed from the local population.

Another form of governance at the local level exists in the form of Notified Area Committee. This can be described as committees that exist as municipal governments of newly-developing towns or areas which are unable to fulfill the statutory conditions of the constitution of a municipality or in which new industries have been or are being established. The Notified Area Committee is an entirely nominated body and such provisions of the State Municipal Act apply to it as are specified by the state through a 'notification.' Therefore, they are known as Notified Area Committee. According to the 74th Amendment in the Indian Constitution, the notified area committees and from area committees have been abolished since 1993. Apart from Notified Area Committees, there also exist Town Area Committees which are meant for smaller towns. These committees are governed through special state enactments with membership, i.e., either wholly elected, wholly nominated or a combination of both these elements with restrictive powers.

Most of the municipalities or municipal corporations have two basic functions; legislative and executive. All the elected members of the council in all these bodies are considered as the legislators and they collectively debate and deliberate over the policies and planning about the area. They have the right to approve the budget for the body and deciding on the subjects of taxation and provisions of services in the area. The council held different officials and committees accountable. The executive jobs in the municipal corporation and councils are done by the state appointed officers or municipal commissioner and local officers. Most of the works of the municipal corporations and councils are divided into two parts; obligatory and discretionary. Obligatory works are related to the basic sanitation and services in the cities such as supply of water, maintenance of roads etc. Discretionary functions, such as the building of houses for the poor and organizing the events are subject to the availability of funds and other resources.

It is up to state governments to decide the extent and subjects of taxation by the municipal corporations and councils. However, in most of the states it has been generally found that municipal corporations or councils collect housing taxes and

several user charges along with the collections from the special services such as organization of an event. In general their source of income is divided into three parts; Taxes, Fees and Fines and earning from its enterprises such as market places and other such resources. Municipal Corporation and Municipal councils put taxes on property and charge for their services. They are also provided with one time grants from the state governments. After the 74th amendment, there is a provision of the establishment of finance commission after every five years through which state has to allocate funds to these local bodies.

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Constitution of municipalities

Act 243-Q provides for the establishment of the following three types of municipal corporations in urban areas:

1. A Nagar Panchayat for a transitional area, that is to say, an area undergoing transition from a rural area to an urban area
2. A municipal council for smaller urban area
3. A municipal corporation for a larger urban area

In this article, 'a transitional area', 'a smaller urban area' or 'a larger urban area' refers to such an area as the governor may possess with regard to the population of the area, the density of the population in that area, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic or such other factors as he may consider fit, etc. A municipality means an institution of self-government constituted under Act-243a.

Composition of municipalities

Article 243-R provides that all the seats in a municipality shall be filled by the persons chosen by direct elections from territorial constituencies in the municipal area. For this purpose, each municipal area is divided into territorial constituencies to be known as wards.

Constitution and composition of wards committees

Article 243-S provides for the constitution of wards committees comprising of one or more wards, within the territorial area of a municipality having a population of three lakhs or more.

The legislature of the state may make provisions with respect to:

1. The composition and the territorial area of a wards committee
2. The manner in which the seats in a wards committee shall be filled

A member of a municipality constituting a ward within the territorial area of the wards committee shall be a member of that committee. Where a wards committee consists of one ward, the member representing that ward in the municipality shall be the chairperson of the committee.

Where a wards committee consists of two or more wards, one of members representing such wards in the municipality elected by the members of the wards committee shall be the chairperson of that committee [clause (4)]. Nothing in this

Article shall stop the legislature of a state from making provisions for the constitution of committees in addition to the wards committees [(Clause (5))].

Reservation of seats in municipalities

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Article 243-T has made the provision for the reservation of seats for the members of scheduled castes and scheduled tribes in every municipality. The member ad seats reserved for them shall be in same proportion to the total numbers of seats to be filled by directed election in that municipality.

Out of the total numbers of seats reserved under clause (1), 113 seats shall be reserved for the women belonging to SC and ST. The office of chairpersons in the municipalities shall be reserved for SC, ST and women in such manner as the legislature of a state may by law provide.

Reservation of seats for backward class citizens

Under clause (b), the legislature is empowered to make provisions for reservations of seats in any municipality of office chairpersons in the municipalities in favour of backward class of citizens. All kinds of reservation of seats shall cease to have effect on the expiration of the period specified in Act 334 that is (upto 50 years from the commencement of the constitution).

Duration of municipalities

Article 243-U provides that every municipality, unless sooner dissolved under any law for the time being, shall exist for 5 years from the date appointed for its first meeting. No amendment of any law for the time being shall have the effect of causing dissolution of a municipality, at any level, till the expiration of its normal duration of 5 years.

Election

An election conducted for the municipality shall be completed before the expiration of its duration and before the expiration of a period of 6 months from the date of its dissolution in case it had been dissolved earlier.

Disqualifications for membership

Article 243-V states that a person shall be disqualified for being chosen as and for being a member of the municipality under the following conditions:

1. If he is so disqualified by or under any law for the time being for the purposes of elections to the legislature of the state concerned
2. If he is so disqualified by or under any law made by the legislature of the state

However, a person shall not be disqualified on the grounds that he is less than 25 years of age or if he has attained the age of 21 years. Thus, a person who is already 21 years old is eligible for being chosen as a member of a municipality.

Power, authority and responsibilities of municipalities

Under Article 243-W, the legislature of a state, subject to the provisions of this constitution, is directed by law to endow:

1. The municipalities with such powers and authority as may be necessary to enable them to function as institution of self-government and such law may contain provisions for the devolution of powers and responsibilities upon municipalities, subject to such conditions as may be specified therein, with respect to:
 - (i) The preparation of plans for economic, political social development
 - (ii) The performance of function and implementation of programmers and schemes as per law
2. The committees with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matter listed in the twelfth schedule.

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CHECK YOUR PROGRESS

6. Why was the Balwant Rai Mehta Committee appointed?
7. When was the Ashoka Mehta Committee established and by whom?
8. What is Notified Area Committee?

4.5 SUMMARY

- District is the basic unit of administration in India. It is a 'subdivision of a division'. The Oxford dictionary defines district as a 'territory marked off for special administrative purpose'.
- The word 'district administration' means the management of the tasks of government so far it lies within an area legally recognised as a district. According to S.S. Khera, 'District administration is the total management of public affairs within this unit'.
- A district is considered the most viable geographical unit where the total apparatus of public administration can be concentrated, the district administration deals with management of numerous public affairs.
- District administration has a very important place in the hierarchy of Indian administration. It is this tier of administration that touches the people more directly and more strikingly.
- The responsibility for maintenance of law and order and protection of the life and property of the people rests upon the district administration which can create chaos by inept handling of public affairs. The district administration acts as the eyes, ears and arms of the state government. Its efficiency and integrity are of vital importance.
- The working of administration in states has been organised in town-pattern in India. In some states the districts are directly administered by the state government, whereas in certain other states there is an office of the Divisional Commissioner in between the state headquarter and the district to take care of some of the designated areas.

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- The post of Divisional Commissioner was first created in 1892 when the then Bengal Government established an intermediate authority between the Collector and the headquarters administration.
- The origin of the institution of District Collector and District Magistrate in its present form goes back to the period of East India Company when the nation acquired the 'Diwani' rights from the Mughal emperors and appointed its officers to collect revenue.
- If the government is to function as a service for the benefit of the people, state and local administrations must work as two active and cooperative members of a partnership. For this purpose, state controls over local government bodies should be subtle and carefully balanced to forestall malpractices while avoiding any tendencies which stifle local initiative.
- It is not only essential that steps should be taken to see that authorities efficiently perform the jobs they have been given to do, but it is also essential that local authorities should not exceed their duties by engaging in ventures for which they have no legal authority.
- The state and union governments must play an innovative and supporting role to strengthen the municipal administration so that it may perform its tasks efficiently and effectively.
- The state, at least in one of its forms, therefore, should be seen as the locus of a movement of development by envisaging a society and polity on the basis of an equal citizenship. Decentralization should hence be acknowledged as the initiation of a dialectical fight back between the democratic thrust of the institutions of local government on one hand and the anti-democratic rebellion, or attempted subversion, of democracy by the arrangement of rural power on the other.
- Local government in both, urban and rural India, though has a mandate in the constitution, it has a very feeble presence in its own right. Its control lies with the state governments, which have retained many powers.
- With respect to rural India, reservation for women, Dalits and Adivasis' gives these groups the accessibility to the symbolic capital that they need for their struggle for a just order. The amendments have produced the institutional opportunity, which should be considered as a big step in moving the goals of an inclusive democracy further.
- During the period of their domination in developing countries, the colonial governments developed several statutory institutions. The urban local self-government is the most significant among them. Ever since the establishment of the Madras (now Chennai) Municipal Corporation in India, there has been an increase in the number of municipal bodies to manage the towns and cities.
- The Block denotes a territorial demarcation which has, however, been systematically revised to make adjustments for changes in population and other demographic characteristic. At the block level, a Block Development Committee was established with the sub-divisional officer acting as its

chairperson, and a Block Development Officer acting as its Executive Secretary.

- The people in urban areas need basic facilities like public transport, roads, water supply, electricity, and health facilities. Therefore, the role of the urban local government in India is very crucial. The growing urban population is a sign of overall shift in the basic economic structure of the society. It shows that the economy is changing from an agrarian to industrial or even post-industrial phase.
- During the Second Five Year Plan (1956–61), the Balwant Rai Mehta Committee was appointed on plan projects by the National Development Council to assess the task of the community development and national extension service. The recommendations and suggestions of the Committee gave rise to a new experimental phase in participatory development through the strategy that is called democratic decentralization.
- The main recommendation of the Balwant Rai Mehta Committee was the foundation of a three-level system of rural local self-government with total power to take up the responsibility for local development.
- The first state in India to introduce the Panchayati Raj system was Rajasthan on 2 October 1959. Several other States, including Andhra Pradesh, Uttar Pradesh, Maharashtra, Gujarat and Madhya Pradesh followed Rajasthan and introduced the Panchayati Raj system.
- The Panchayati Raj institutions are working in almost all states in India for approximately 40 years. The set-up of these institutions varies from one state to another. These institutions differ in the patterns of decision making, implementation and resource allocation, staffing pattern, training and recruitment of staff and the level of autonomy allowed to various parts.
- The Ashoka Mehta Committee was established to assess the working of Panchayati Raj system in 1977 by the Janata Government.
- As a result of the 73rd Amendment Act, approximately all States in India have adapted the new pattern of Panchayati Raj institutions as the principal organizational framework for participatory development in rural India. The participation of citizens, especially of women at the grassroots level, has certainly enhanced after enactment of such statutes by a number of states. The revamped Panchayati Raj System has made common man more aware and cognizant of the developmental attempts and schemes of the government.
- Municipal Corporation is the topmost of urban local government. Unlike rural government, urban local government in India is not hierarchical. Municipal corporations are usually found in big cities. Large population creates complex civil problems and therefore to solve these problems we need municipal corporations.
- Most of the municipalities or municipal corporations have two basic functions; legislative and executive. All the elected members of the council

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in all these bodies are considered as the legislators and they collectively debate and deliberate over the policies and planning about the area.

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4.6 KEY TERMS

- **District administration:** The management of the tasks of government so far it lies within an area legally recognised as a district.
- **Block administration:** The block denotes a territorial demarcation, marked off for administrative purpose.
- **Rural:** In, relating to, or characteristic of the countryside rather than the town.
- **Urban:** In, relating to, or characteristic of a town or city.

4.7 ANSWERS TO ‘CHECK YOUR PROGRESS’

1. Three characteristics of district administration are:
 - It is at district level that government comes into contact with the people.
 - The problem at this level is local, relating only to the district.
 - District administration is a field work as opposed to staff or secretariat functions.
2. The post of Divisional Commissioner was first created in 1892 when the then Bengal Government established an intermediate authority between the Collector and the headquarters administration.
3. Two major functions of the officer of the Divisional Commissioner are as follows:
 - Administer the function pertaining to revenue administration, Zila Panchayat and Local Sector Governments in the Division of the state.
 - Ensure proper and efficient achievement of the various schemes of development including employment generation, civil supplies, primary health, drinking water, development of infrastructure, primary education, poverty alleviation, etc.
4. The district planning committee (DPC) attempts to make an integrated plan for both, rural and urban areas in the whole district. DPCs are the only planning bodies that are empowered with constitutional sanctity and are gradually being established in a large number of states.
5. The job of the SEC is similar to that of the Central Election Commission (CEC), which is to supervise, direct, be in command of and conduct all elections to the Panchayats and Nagar Palikas. This has made sure that elections are held at standard intervals, are just and unbiased, are openly contested and that state governments do not try to delay or invalidate results of the elections, as they have repeatedly and carelessly done in the past.
6. The Balwant Rai Mehta Committee was appointed on plan projects by the National Development Council to assess the task of the community

development and national extension service. The recommendations and suggestions of the Committee gave rise to a new experimental phase in participatory development through the strategy that is called democratic decentralization. The main recommendation of the Balwant Rai Mehta Committee was the foundation of a three-level system of rural local self-government with total power to take up the responsibility for local development.

7. The Ashoka Mehta Committee was established to assess the working of Panchayati Raj system in 1977 by the Janata Government.
8. The Notified Area Committee is an entirely nominated body and such provisions of the State Municipal Act apply to it as are specified by the state through a 'notification.' Therefore, they are known as Notified Area Committee.

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4.8 QUESTIONS AND EXERCISES

Short-Answer Questions

1. Describe the role and importance of district administration.
2. Who is a Divisional Commissioner? What are the functions of a Divisional Commissioner?
3. Discuss the reforms in the urban and rural bodies as per the 73rd and the 74th Constitutional Amendment Acts.
4. What is rural planning and development?

Long-Answer Questions

1. Discuss 'Collector as a representative of a state government'.
2. What are the functions of a Sub-Divisional Officer?
3. Describe the roles and functions of Block Development Officer (BDO).
4. Discuss the composition, functions and finance of the municipal corporations.
5. Describe the importance of urban planning and development.

4.9 FURTHER READING

Munshi, Surendra & Abraham, Biju Paul (ed.). 2004. *Good Governance, Democratic Societies and Globalization*. Sage Publications. New Delhi.

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