GPS S3 01 (M/P)

Public Administration-Theory

SEMESTER - III

POLITICAL SCIENCE

BLOCK - 2

KRISHNA KANTA HANDIQUI STATE OPEN UNIVERSITY

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May, 2018


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Printed and published by Registrar on behalf of the Krishna Kanta Handiqui State Open University.

The University acknowledges with thanks the financial support provided by the **Distance Education Bureau**, **UGC** for the preparation of this study material.

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BACHELOR OF ARTS

POLITICAL SCIENCE

CONTENTS

		Page No.
UNIT 8 :	**Principles of Organisation : Heirachy, Span of Control and Unity of Command** Hierarchy : Advantages of the principle of hierarchy, Disadvantages of the principle of hierarchy; Span of Control : Factors determining Span of Control; Unity of Command	96-109
UNIT 9 :	**Principles of Organisation: Centralisation and Decentralisation** Centralisation : Advantages of Centralisation, Disadvantages of Centralisation; Decentralisation : Advantages of Decentralisation, Disadvantages of Decentralisation	110-117
UNIT 10:	**Principles of Organsisation: Coordination; Delegation of Authority** Coordination: Meaning of Coordination, Need for Coordination ; Types of Coordination; Delegation of Authority : Meaning of Delegation of Authority , Types of Delegation of Authority	118-126
UNIT 11:	**Line and Staff Agencies** Line Agencies; Staff agencies : Meaning of Staff agencies, Basic Characteristics of Staff agencies, Types of Staff agencies, Functions of Staff agencies; Staff agencies in India and the United States of America : Staff Agencies in India, Staff Agencies in the United States of America; Relationship between Line agencies and Staff agencies	127-146
UNIT 12:	**Line Agency: Department** Department: Need of Department, Bases of Department, Head of Department, Single Head/Bureau Type Head, Plural Head, Types of Departments; Government Department in India: Ministry of Home Affairs, Ministry of Finance	147-171
UNIT 13:	**Line Agency: Government Corporation** Government Corporation : Meaning of Government Corporation, Basic Features of Government Corporation, Growth and Development of Government Corporation, Need for Government Corporation, Types of Government Corporation, Advantages of Government Corporation, Disadvantages of Government Corporation; Differences between Government Corporation and Government; Problems of Control over Government Corporation : Control over Government Corporation in the United States of America, Control over Government Corporation in Britain, Control over Government Corporation in India; Government Corporation in India	172-190
UNIT 14:	**Line Agency: Independent Regulatory Commissions** Independent Regulatory Commissions : Basic Features of Regulatory Commissions, Regulatory Commissions in the United States of America, Functions of Regulatory Commissions, Advantages of Regulatory Commissions, Criticisms against Regulatory Commissions; Independence of Regulatory Commissions	191-207
UNIT 15:	**Civil Servive: Meaning and Role; Relationship between Civil Servants and Ministers** The concept of Civil Service : Meaning of Civil Service, Main characteristics of Civil Service; Functions and Role of Civil Service : Functions of Civil Service, Role of Civil Servants in a Modern State; Political Executive (Ministers) : Features of Political Executive, Non-Political Executive (Civil Servants); Relationship between Minister and Civil Servant.	208-227

INTRODUCTION TO BLOCK 2

This is the Second block of the course titled “Public Administration-Theory” of BA Programme in Political Science of KKHSOU. The block contains eight units (units 8-15).

The eighth unit discusses the Principles of Organisation: Heirachy, Span of Control and Unity of Command; The ninth unit discusses the Principles of Organisation: Centralisation and Decentralisation. The tenth unit discusses the Principles of Organsisation: Coordination; Delegation of Authority. The eleventh unit discusses Line and Staff Agencies . The twelfth unit discusses the line Agency of the Department. The thirteenth unit discusses the line agency of Government Corporation. The fourteenth unit discusses the line agency of Independent Regulatory Commissions. The fifteenth unit discusses the meaning and role of civil service and relationship between Civil Servants and Ministers.

While going through the units of the course, you will find that each unit is further divided into certain sections and sub-sections, wherever necessary, for your better understanding. You will notice some alongside boxes while going through a unit , which have been included to help you know some of the difficult, unseen terms. Again, each unit carries certain *activities* after every section. These “ACTIVITIES” will provide you the opportunity to practically apply your own thoughts based on the knowledge gained from reading the text in a particular section. Besides, in order to give you additional information on certain relevant topics, you will find a category called “LET US KNOW” after the sections in each unit. Another category that has been included at the end of each section of a particular unit is “CHECK YOUR PROGRESS”. The purpose of this category is to help you to asses for yourself as to how thoroughly you have understood a particular section. It will be better if you answer the questions put in these boxes immediately after you go through the sections of the units and then match your answers with “ANSWERS TO CHECK YOUR PROGRESS” given at the end of each unit. Furthermore, a set of sample questions has been included under the category called “MODEL QUESTIONS” to give you a hint of the pattern of questions you are likely to get in the examination.

UNIT 8 : PRINCIPLES OF ORGANISATION – HIERARCHY, SPAN OF CONTROL AND UNITY OF COMMAND

UNIT STRUCTURE

8.1 Learning Objectives
8.2 Introduction
8.3 Hierarchy
  8.3.1 Advantages of the principle of hierarchy
  8.3.2 Disadvantages of the principle of hierarchy
8.4 Span of Control
  8.3.1 Factors determining Span of Control
8.5 Unity of Command
8.6 Let Us Sum Up
8.7 Further Reading
8.8 Answers to Check Your Progress
8.9 Model Questions

8.1 LEARNING OBJECTIVES

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

- explain the meaning of hierarchy
- mention the advantages of hierarchy
- mention the disadvantages of hierarchy
- discuss the principle of span of control
- explain the factors determining span of control
- discuss the principle of unity of command

8.2 INTRODUCTION

Administration generally involves co-operative efforts by a number of people to achieve certain objectives. Now, this is possible only when there exists a proper plan of action and this is called organisation. Accordingly, organisation is the pre-requisite of administration and there

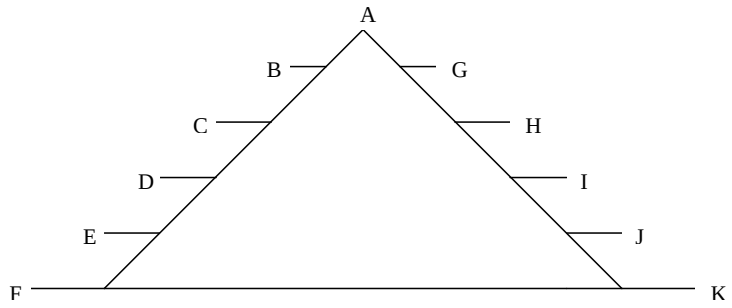
can be no administration unless there is an organisational structure to run it. Now, for the proper functioning of an organisation, it is important that it should be based on certain principles. Some of these important principles are: hierarchy, span of control, unity of command, centralization, decentralization, coordination and delegation of authority.

It is always an important concern of any organization to come with a systematic plan for ensuring effective supervision of its employees. While a hierarchical organization is composed of a number of tiers, the question is how many employees can be effectively supervised by one person at each level. It is in this context that the principle of span of control plays an important role. Span of Control means the number of subordinates which a superior can effectively supervise, direct and control. At the same time, the principle of Unity of Command suggests that for better discipline and effective management, an employee should be responsible to only one superior. Accordingly, in this unit we shall discuss the principles of Hierarchy, Span of Control and Unity of Command.

8.3 HIERARCHY

The literal meaning of hierarchy is the rule or control of the higher over the lower. Max Weber's bureaucratic model emphasized the principle of "hierarchy" in which there is "supervision of the lower offices by the higher ones." To be more specific, a hierarchy means a graded organisation of several successive steps or levels, in which each one of the lower levels is immediately subordinate to the next higher one and through it, to the other higher steps right up to the top. Accordingly, in such a hierarchical organisation, command and control descend step by step from the top downward to the bottom. The chain of command is such that no intermediate level may be skipped. Every position in the hierarchical organisation has a distinctive title. It finds its appropriate place in the hierarchy, with the incumbent possessing authority to issue orders and instructions to subordinates and also bearing the responsibility to receive and obey orders from superiors. Thus, it is seen that in a hierarchy, authority, command and control descend from the top to the bottom step by step.

The following diagram shows the structure and functioning of a hierarchical organisation :



In the above diagram, A is the head of the organisation. B is A's immediate subordinate. C is B's immediate subordinate but is also subordinate to A through B. D is immediately subordinate to C but is also subordinate to B and A through C. Likewise, E's immediate superior is D but is also subordinate to C,B and A through D. Finally, F is immediately under E, but is also under D, C, B and A. The same process is applicable to the letters shown along the other arm of the triangle.

If A issues an order meant for F, it must descend to F through B, C, D and E and if F wants to send a communication to A, it must travel upward to A through E, D, C and B. If F has to issue a communication to K, it must travel all the way up to A through E, D, C, B and descend from A to K through G,H,I and J. F,A,K represent the line of authority linking the whole organisation together.

8.3.1 Advantages of the principle of Hierarchy

Hierarchy has its own advantages. Some of the advantages are as follows:

- Hierarchy serves as an instrument of integration and coherence in an organisation, enabling it to work as a single unit. It is like a link which integrates various sections of an organisation in a harmonious way linking the Chief Executive with each individual employee.
- Hierarchy serves as a channel of communication, both upwards and downwards. Everything has to move "through proper channel" making it clear to every official as to whom he is to deal with. Through the principle of hierarchy, everyone in the organisation is automatically informed about the action proposed or taken from the relevant quarters.

- Hierarchy helps us to fix responsibility at each level and each post in the organisation. Every employee knows what his position and responsibility are in the organisation and to whom he is accountable.
- Heirarchy helps us to decentralize decision-making. Through decentralisation and division of labour, work is divided at the different levels of the hierarchy which prevents congestion of work at the top and ensures greater efficiency in administration.

8.3.2 Disadvantages of the principle of Hierarchy

The principle of hierarchy, in spite of its many advantages, suffers form certain limitations. These limitations are as follows :

- Hierarchy brings about rigidity in administrative organisation. The principle of chain of command is not suitable for the development of dynamic human relationships among its members.
- There is delay in the disposal of work in a hierarchical organisation. Every paper has to move step by step and at every step it has to wait for a certain period of time.
- In a hierarchical organisation, directions flow from top to bottom downwards. The subordinates are expected to carry out mechanically the instructions of their superiors. This discourages initiative at the lower level.



CHECK YOUR PROGRESS

Q 1 : Explain the meaning of hierarchy. (within 60 words)

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Q 2 : Mention any two advantages of the principle of hierarchy.

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8.4 SPAN OF CONTROL

Span of Control means the number of subordinates which a superior can effectively supervise, direct and control. The principle of span of control flows from the principle of hierarchy. A hierarchical organisation is composed of a number of tiers or steps with each step being headed by a single person. Now the question that arises is that of the number of persons who should work under his or her control and supervision at that particular level, facilitating effective supervision and coordination. It is rather difficult to decide the appropriate fixed number of the span of control. Sir Ian Hamilton fixed the limit at 3 to 4, Urwick at 5 to 6 at higher levels and 8 to 12 at lower levels. However it is generally maintained by the experts in the field of public administration that shorter the span, the more effective will be the control.

8.4.1 Factors determining Span of Control

There are certain factors which are determinants of the degree of span of control. These factors are:

- **Nature of work :** If the subordinates are involved in the same or similar activities, then it becomes easier for the officer to supervise more subordinates. The problems that may arise would be similar in nature and easier to handle. Accordingly, where the work is of routine and homogeneous nature, the span of control is more. On the other hand, if the subordinates are engaged in diversified operations, the situation would be more complex. In this case, the span of control should be narrow.
- **Leadership :** The span of control increases or decreases depending upon the attitude personality and qualities of the supervisor. If he is intelligent and competent and has good leadership and managerial qualities, he can supervise a larger group of persons.
- **Capacity of subordinates :** The span of control is also based on the personality of the subordinates whose competence and caliber determines as to how large the span of control will be.

When the subordinates are trained and competent, more subordinates can be effectively supervised and the span can be larger.

- Age of the agency: Supervision is easier when the organisation has been in existence for a long time. In old established organisations, precedents take roots and the work goes on smoothly. Such precedents can be referred to in case of any difficult situation.
- Location of the organisational units: Supervision generally becomes easier when the subordinates work under the same roof where the supervisor sits than when they are at a distance from him. It brings about better monitoring and supervision on the part of the supervisor.

8.5 UNITY OF COMMAND

Unity of command implies that an employee is responsible to only one supervisor to whom the employee reports. Henri Fayol suggested that for better discipline and effective management, an employee should be responsible to only one superior. Henry Fayol opined that if an employee were to obey the commands issued by different superiors then there would be chaos and confusion in an organization. Thus, thus principle must be strictly followed so that an organization may function smoothly. The principle of unity of command is strictly followed in the military.

However, critics point out that in case of large organizations, it is difficult to strictly adhere to the principle of unity of command. Such large organizations are based on the principle of division of labour and existence of several departments. Accordingly a single employee may have to listen to different heads or a group of heads in such organizations. What is important in these organizations is to have effective coordination among the different departments.

Nevertheless, generally speaking, the principle of unity of command is of utmost importance for the smooth functioning of an organization.



CHECK YOUR PROGRESS

Q 4 : Sir Ian Hamilton fixed the span of control limit at how much?

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Q 5 : Mention any two factors determining span of control.

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Q 6 : Describe the meaning of span of control. (within 60 words)

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Q 7 : Explain the meaning of unity of command. (within 60 words)

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8.6 LET US SUM UP

The literal meaning of hierarchy is the rule or control of the higher over the lower. Max Weber's bureaucratic model emphasized the principle of "hierarchy" in which there is "supervision of the lower offices by the higher ones."

To be more specific, a hierarchy means a graded organization of several successive steps or levels, in which each one of the lower levels is immediately subordinate to the next higher one and through it, to the other higher steps right up to the top.

Accordingly, in such a hierarchical organization, command and control descend step by step from the top downward to the bottom. The chain of command is such that no intermediate level may be skipped. Every position in the hierarchical organization has a distinctive title.

It finds its appropriate place in the hierarchy, with the incumbent possessing authority to issue orders and instructions to subordinates and also bearing the responsibility to receive and obey orders from superiors. Thus, it is seen that in a hierarchy, authority, command and control descend from the top to the bottom step by step.

Hierarchy has its own advantages.

Hierarchy serves as an instrument of integration and coherence in an organisation, enabling it to work as a single unit.

Hierarchy serves as a channel of communication, both upwards and downwards.

Hierarchy helps us to fix responsibility at each level and each post in the organisation..

Heirarchy helps us to decentralize decision-making. Through decentralisation and division of labour, work is divided at the different levels of the hierarchy which prevents congestion of work at the top and ensures greater efficiency in administration.

The principle of hierarchy, in spite of its many advantages, suffers from certain limitations.

Hierarchy brings about rigidity in administrative organisation. The principle of chain of command is not suitable for the development of dynamic human relationships among its members.

There is delay in the disposal of work in a hierarchical organisation. Every paper has to move step by step and at every step it has to wait for a certain period of time.

In a hierarchical organisation, directions flow from top to bottom downwards. The subordinates are expected to carry out mechanically the instructions of their superiors. This discourages initiative at the lower level.

Span of Control means the number of subordinates which a superior can effectively supervise, direct and control. The principle of span of control flows from the principle of hierarchy.

A hierarchical organisation is composed of a number of tiers or steps with each step being headed by a single person. Now the question that arises is that of the number of persons who should work under his or her control and supervision at that particular

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However it is generally maintained by the experts in the field of public administration that shorter the span, the more effective will be the control.

There are certain factors which are determinants of the degree of span of control.

If the subordinates are involved in the same or similar activities, then it becomes easier for the officer to supervise more subordinates. The problems that may arise would be similar in nature and easier to handle.

The span of control increases or decreases depending upon the attitude personality and qualities of the supervisor. If he is intelligent and competent and has good leadership and managerial qualities, he can supervise a larger group of persons.

The span of control is also based on the personality of the subordinates whose competence and caliber determines as to how large the span of control will be.

Supervision is easier when the organisation has been in existence for a long time. In old established organisations, precedents take roots and the work goes on smoothly. Such precedents can be referred to in case of any difficult situation.

Supervision generally becomes easier when the subordinates work under the same roof where the supervisor sits than when they are at a distance from him. It brings about better monitoring and supervision on the part of the supervisor.

Unity of command implies that an employee is responsible to only one supervisor to whom the employee reports. Henri Fayol suggested that for better discipline and effective management, an employee should be responsible to only one superior.

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What is important in these organizations is to have effective coordination among the different departments.

Nevertheless, generally speaking, the principle of unity of command is of utmost importance for the smooth functioning of an organization.



8.7 FURTHER READING

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4) Sharma, Dr. M. P. & Sadana, Dr.B.L. (2000). Public Administration in Theory and Practice. Allahabad: Kitab Mahal.

8.8 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1 : The literal meaning of hierarchy is the rule or control of the higher over the lower. Max Weber's bureaucratic model emphasized the principle of "hierarchy" in which there is "supervision of the lower offices by the higher ones." To be more specific, a hierarchy means a graded organisation of several successive steps or levels, in which each one of the lower levels is immediately subordinate to the next higher one and through it, to the other higher steps right up to the top. Accordingly, in such a hierarchical organisation, command and control descend step by step from the top downward to the bottom. The chain of command is such that no intermediate level may be skipped. Every position in the hierarchical organisation has a distinctive title. It finds its appropriate place in the hierarchy, with the incumbent possessing authority to issue orders and instructions to subordinates and also bearing the responsibility to receive and obey orders from superiors. Thus, it is seen that in a hierarchy, authority, command and control descend from the top to the bottom step by step.

Ans to Q No 2 : (i) Hierarchy serves as an instrument of integration and coherence in an organisation, enabling it to work as a single unit. It is like a link which integrates various sections of an organisation in a harmonious way linking the Chief Executive with each individual employee.

(ii) Hierarchy serves as a channel of communication, both upwards and downwards. Everything has to move "through proper channel" making it clear to every official as to whom he is to deal with. Through the principle of hierarchy, everyone in the organisation is automatically informed about the action proposed or taken from the relevant quarters.

Ans to Q No 3 : (i) Hierarchy brings about rigidity in administrative organisation. The principle of chain of command is not suitable for the development of dynamic human relationships among its members.

(ii) There is delay in the disposal of work in a hierarchical organisation. Every paper has to move step by step and at every step it has to wait for a certain period of time.

Ans to Q No. 4 : 3 to 4

Ans to Q No. 5 : (i) Nature of work
(ii) Leadership

Ans to Q No.6 : Span of Control means the number of subordinates which a superior can effectively supervise, direct and control. A hierarchical organisation is composed of a number of tiers or steps with each step being headed by a single person. Now the question that arises is that of the number of persons who should work under his or her control and supervision at that particular level, facilitating effective supervision and coordination. It is rather difficult to decide the appropriate fixed number of the span of control. However it is generally maintained by the experts in the field of public administration that shorter the span, the more effective will be the control.

Ans to Q No.7 : Unity of command implies that an employee is responsible to only one supervisor to whom the employee reports. Henri Fayol suggested that for better discipline and effective management, an employee should be responsible to only one superior. Henry Fayol opined that if an employee were to obey the commands issued by different superiors then there would be chaos and confusion in an organization. Thus, thus principle must be strictly followed so that an organization may function smoothly. The principle of unity of command is strictly followed in the military.

However, critics point out that in case of large organizations, it is difficult to strictly adhere to the principle of unity of command. Such large organizations are based on the principle of division of labour and existence of several departments. Accordingly a single employee may have to listen to different heads or a group of heads in such organizations. What is important in these organizations is to have

effective coordination among the different departments.

Nevertheless, generally speaking, the principle of unity of command is of utmost importance for the smooth functioning of an organization.



8.9 MODEL QUESTIONS

A) Very Short Questions

Q 1 : Mention the literal meaning of hierarchy.

Q 2 : Mention one advantage and one disadvantage of heirarchy.

Q 3 : Who fixed the limit for span of control at 5 to 6 at higher levels and 8 to 12 at lower levels?

Q 4 : Mention any two factors determining Span of Control.

B) Short Questions (Answer each question in about 150 words)

Q 1 : Write the meaning of hierarchy.

Q 2 : Mention three advantages of hierarchy.

Q 3 : Mention three disadvantages of hierarchy.

Q 4 : Explain the meaning of span of control.

Q 5 : Examine any four factors determining span of control.

C) Long Questions (Answer each question in about 300-500 words)

Q 1 : Explain the meaning of hierarchy. Mention the advantages and disadvantages of hierarchy.

Q 2 : Examine the factors determining span of control.

Q 3 : Explain the principle of unity of command.

UNIT 9 : PRINCIPLES OF ORGANISATION – CENTRALISATION AND DECENTRALISATION

UNIT STRUCTURE

9.1 Learning Objectives

9.2 Centralisation

- 9.2.1 Advantages of Centralisation
- 9.2.2 Disadvantages of Centralisation

9.3 Decentralisation

- 9.3.1 Advantages of Decentralisation
- 9.3.2 Disadvantages of Decentralisation

9.4 Let Us Sum Up

9.5 Further Reading

9.6 Answers to Check Your Progress

9.7 Model Questions

9.1 LEARNING OBJECTIVES

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

- explain the meaning of centralisation
- mention the advantages of centralisation
- mention the disadvantages centralisation

9.2 CENTRALISATION

Centralisation of authority means concentration of administrative authority and power of decision making in a relatively few key administrative positions at the top level of the organisational structure. In such organisations, all important decisions and actions at the lower levels are subject to the approval of authorities at the top level.

9.2.1 Advantages of Centralisation:

Certain advantages are attributed to centralisation of authority. These are discussed below :

- Centralisation permits uniformity in functioning. All decisions emerge from a single point facilitating a high degree of consistency and uniformity in organisational functioning.
- Centralisation gives shape to a clear-cut authority structure. Everyone in the organisation knows the source of decisions and action initiatives. As there is only one centre, there is little scope for confusion and chaos.
- Centralisation proves effective in the matter of overcoming crisis situations. This is because a strong top-level management can take decisions quickly and effectively without having to depend much on those at the lower levels.
- The leadership at the top level of a centralized system is generally supposed to possess maturity and experience in leading the organisation. This proves to be beneficial to the organisation.

9.3.2 Disadvantages of Centralisation:

- Excessive centralisation of authority results in a top-heavy structure. The middle and lower levels are without power and authority and hence are weak.
- Concentration of power at the top may lead to its abuse as the top level leadership may not welcome any advice or criticism from the lower levels and act in a dictatorial manner without any accountability.
- Concentration of power at the top level also leads to heavy work load at the top level. There is no managerial structure at the middle and lower levels which can share some managerial work of the top level.

- Centralisation also leads to the growth of red-tape and a bureaucratic atmosphere in the organisation.

- Centralisation reduces the opportunities for initiative at the lower levels. It runs counter to the growth of a democratic spirit in the organisation.



CHECK YOUR PROGRESS

Q 1 : Explain the meaning of centralisation.

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Q 2 : Mention any two advantages of centralisation.

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Q 3 : Mention any two disadvantages of centralisation.

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9.3 DECENTRALISATION

Decentralisation of authority means dispersal of decision making power to the lower levels of the organisation. In an organisation where authority is decentralized, decision-making units with a certain amount of autonomy are created at functionally appropriate levels. However, all organisational operations are subject to the overall control by the central management. In other words, in decentralized organisation, lower levels have the autonomy and discretion to take decisions with regard to most of the matters which come up, while the comparatively bigger and more important problems are reserved for the top level authorities.

9.3.1 Advantages of Decentralisation

- Decentralisation helps to reduce the workload at the higher levels. The top level authorities can devote greater time and attention to important policy matters while decentralizing authority with regard to routine operational decisions.

- Decentralisation helps those at lower levels to take part in the process of decision making. It helps to boost their morale and provides them with job satisfaction.

- Decentralisation fosters team-spirit and group cohesiveness among the subordinates.

- Under decentralisation, the authority to take decisions with regard to a particular level is directly placed in the hands of the appropriate authorities at that level. This helps in taking accurate and faster decisions.

- Decentralisation accounts for efficient supervision and control. The performance of each decentralized unit can be assessed by the managers at the appropriate level instead of central level supervision at all times.

9.3.2 Disadvantages of Decentralisation

- Decentralisation, if carried too far, may lead to the creation of powerful units of decision making which may drift away from the supervision and control of the central leadership. This results in abuse of autonomy granted to the decision making units which seek to pursue their own narrow goals at the expense of the collective goal of the organisation as a whole.

- Decentralisation of authority makes it difficult for the central authorities to coordinate the goals, functions and activities of the autonomous decision-making units at various levels.

- Decentralisation increases the administrative expenses. Each unit requires trained personnel and adequate infrastructure. This may result in duplication of functions and under-utilisation of facilities.

- When uniform procedures are not followed throughout the organisation, decentralisation may lead to a situation where each unit starts functioning in its own way resulting in a lot of inconsistencies.



CHECK YOUR PROGRESS

Q 4 : Explain the meaning of decentralisation.

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Q 5 : Mention any two advantages of decentralisation.

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Q 6 : Mention any two disadvantages of decentralisation.

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9.4 LET US SUM UP

- Centralisation of authority means concentration of administrative authority and power of decision making in a relatively few key administrative positions at the top level of the organisational structure. In such organisations, all important decisions and actions at the lower levels are subject to the approval of authorities at the top level.
- Certain advantages are attributed to centralisation of authority. These include- centralisation permits uniformity in functioning, centralisation gives shape to a clear-cut authority structure, centralisation proves

effective in the matter of overcoming crisis situations,leadership at the top level of a centralized system is generally supposed to possess maturity and experience in leading the organisation.

- The disadvantages of centralsiation include excessive centralisation of authority results in a top-heavy structure, concentration of power at the top may lead to its abuse as the top level leadership, concentration of power at the top level also leads to heavy work load at the top level, centralisation also leads to the growth of red-tape and a bureaucratic atmosphere in the organization, etc.
- Decentralisation of authority means dispersal of decision making power to the lower levels of the organisation. In an organisation where authority is decentralized, decision-making units with a certain amount of autonomy are created at functionally appropriate levels.
- Advantages of decentralisation includes- helps to reduce the workload at the higher levels ; decentralisation helps those at lower levels to take part in the process of decision making decentralisation fosters team-spirit and group cohesiveness among the subordinates; under decentralisation, the authority to take decisions with regard to a particular level is directly placed in the hands of the appropriate authorities at that level, etc.
- Disadvantages includes- if carried too far, may lead to the creation of powerful units of decision making which may drift away from the supervision and control of the central leadership; decentralisation of authority makes it difficult for the central authorities to coordinate the goals, functions and activities of the autonomous decision-making units at various levels; etc.



9.5 FURTHER READING

1) Basu, Rumki (2004). Public Administration-Concepts and Theories. New Delhi: Sterling Publishers Private Limited.
2) Bhagwan, Vishnoo and Bhushan, Vidya (2007). Public Administration. New Delhi: S. Chand & Company Ltd.

3) Naidu, S.P. (2005), Public Administarion-Concepts and Theories. New Delhi: New Age International (P) Ltd.

4) Sharma, Dr. M. P. & Sadana, Dr.B.L. (2000). Public Administration in Theory and Practice. Allahabad: Kitab Mahal.



9.6 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Centralisation of authority means concentration of administrative authority and power of decision making in a relatively few key administrative positions at the top level of the organisational structure. In such organisations, all important decisions and actions at the lower levels are subject to the approval of authorities at the top level.

Ans to Q No 2: (i) Centralisation permits uniformity in functioning. All decisions emerge from a single point facilitating a high degree of consistency and uniformity in organisational functioning.

(ii) Centralisation gives shape to a clear-cut authority structure. Everyone in the organisation knows the source of decisions and action initiatives. As there is only one centre, there is little scope for confusion and chaos.

Ans to Q No 3: (i) Excessive centralisation of authority results in a top-heavy structure. The middle and lower levels are without power and authority and hence are weak.

(ii) Concentration of power at the top may lead to its abuse as the top level leadership may not welcome any advice or criticism from the lower levels and act in a dictatorial manner without any accountability.

Ans to Q No 4: Decentralisation of authority means dispersal of decision making power to the lower levels of the organisation. In an organisation where authority is decentralized, decision-making units with a certain amount of autonomy are created at functionally appropriate levels. However, all organisational operations are subject to the overall control by the central management. In other words, in decentralized organisation, lower levels have the autonomy and

discretion to take decisions with regard to most of the matters which come up, while the comparatively bigger and more important problems are reserved for the top level authorities.

Ans to Q No 5: (i) Decentralisation helps to reduce the workload at the higher levels. The top level authorities can devote greater time and attention to important policy matters while decentralizing authority with regard to routine operational decisions.

(ii) Decentralisation helps those at lower levels to take part in the process of decision making. It helps to boost their morale and provides them with job satisfaction.

Ans to Q No 6: (i) Decentralisation, if carried too far, may lead to the creation of powerful units of decision making which may drift away from the supervision and control of the central leadership. This results in abuse of autonomy granted to the decision making units which seek to pursue their own narrow goals at the expense of the collective goal of the organisation as a whole.

(ii) Decentralisation of authority makes it difficult for the central authorities to coordinate the goals, functions and activities of the autonomous decision-making units at various levels.



9.7 MODEL QUESTIONS

A) Very Short Questions

Q.1 : State the meaning of centralisation ?

Q.2 : Mention any two advantages of centralisation.

B) Short Questions (Answer each question in about 150 words)

Q.1 : Explain two advantages of centralisation.

Q.2 : Explain two disadvantages of centralisation.

C) Long Questions (Answer each question in about 300-500 words)

Q.1 : Explain the meaning of centralisation. Discuss its advantages and disadvantages.

UNIT 10 : PRINCIPLES OF ORGANISATION– COORDINATION; DELEGATION OF AUTHORITY

UNIT STRUCTURE

10.1 Learning Objectives
10.2 Introduction
10.3 Coordination
 10.3.1 Meaning of Coordination
 10.3.2 Need for Coordination
 10.3.3 Types of Coordination
10.4 Delegation of Authority
 10.4.1 Meaning of Delegation of Authority
 10.4.2 Types of Delegation of Authority
10.5 Let Us Sum Up
10.6 Further Reading
10.7 Answers to Check Your Progress
10.8 Model Questions

10.1 LEARNING OBJECTIVES

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

- explain the meaning of coordination
- discuss the need for coordination
- explain the meaning of internal and external coordination
- explain the meaning of vertical and horizontal coordination
- explain the meaning of delegation of authority
- describe the meaning of full delegation of authority and partial delegation of authority
- explain the meaning of conditional delegation of authority and unconditional delegation of authority
- explain the meaning of direct delegation of authority and intermediate delegation of authority.

10.2 INTRODUCTION

Two very important principles of organisation include coordination and delegation. Coordination helps secure effective harmony between different sections of an organization so that the organisation may work effectively as a collective whole. Similarly, by way of delegation of authority, it becomes possible for an organisation to delegate responsibility to the employees at various levels so that the organisation can function in a systematic manner enabling a scientific distribution of workload. In this unit we shall discuss the principles of coordination and delegation of authority.

10.3 COORDINATION

10.3.1 Meaning of Coordination

The term coordination is defined as the process of bringing about unity and harmony of functioning and to secure cooperation and team work among the numerous departments comprising the organization. In the absence of coordination, no organisation could function effectively and achieve its objectives, as it would result in the different departments and units of the organisation working at cross-purposes.

According to J.D. Mooney, “Coordination is the orderly arrangement of group effort, to provide unity of action in the pursuit of a common purpose.” Mooney is of the view that coordination is the first principle of organization.

10.3.2 Need for Coordination

First, coordination ensures that each department or unit in the organization functions in a way that secures the harmony between their own goals, activities and requirements and those of the other departments.

Secondly, coordination is needed to eliminate wastage and duplication of work. This is because when there is no coordination,

one department may not know the activities of the other departments with the result that it may unknowingly duplicate the activities of some other department.

Thirdly, modern public administration has become increasingly complex. Functions have become diversified requiring specialists to perform the same. Specialisation, in turn, brings about the need for greater coordination because of the diversity of tasks to be performed and of persons to carry them out.

Fourthly, in the absence of effective coordination, the heads of various departments may seek to expand their own spheres of influence and thereby infringe upon the jurisdiction of other departments, resulting in wastage of resources.

Accordingly, in order that the organisation functions smoothly, it is important that there is effective coordination in the organisation.

10.3.3 Types of Coordination

- Coordination may be classified as internal or external and vertical or horizontal.

- Coordination among the employees of the same department or section is called internal coordination.

- External coordination arises when the organisation coordinates with other departments and organisations.

- Vertical coordination is that which exists within a department wherein the departmental head coordinates the activities of all working under him.

- Horizontal coordination is that which takes place sideways between different departments.



CHECK YOUR PROGRESS

Q 1 : Explain the meaning of coordination.

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Q 2 : Mention any two reasons why coordination is needed.

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Q 3 : What are the various types of coordination?

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10.4 DELEGATION OF AUTHORITY

10.4.1 Meaning of Delegation of Authority

Delegation of authority is a common feature of all types of large-scale organisations. Although in all organisations, whole authority is vested in the head of the organisation, yet authority has to be delegated to the various employees down the administrative hierarchy rather than resting the entire burden on the shoulders of the head of the organisation. This is necessary for ensuring effective functioning of the organization based on a systematic distribution of the workload. According to Mooney, delegation of authority means conferring of specified authority by a higher authority to a lower authority. It must be mentioned here that delegation of authority does not give a free rein to the person on whom authority has been delegated but authority has to be exercised within the prescribed limits. Authority once delegated may be enhanced, curtailed or withdrawn depending on the need of the situation.

10.4.2 Types of Delegation of Authority

Depending on the degree of authority delegated, delegation of authority may be of the following types: (a) full delegation of authority and partial delegation of authority (b) conditional delegation of authority and unconditional delegation of authority (c) formal delegation of authority and informal delegation of authority (d) direct delegation of authority and intermediate delegation of authority.

(a) Full delegation of authority and Partial delegation of authority: Full delegation of authority exists when complete powers are conferred on the subordinate by the superior and the former has full powers to undertake and execute a task. For example, a diplomatic representative enjoys “full powers” of negotiation in the interest of his or her nation. Partial delegation of authority implies that an employee has to seek the advice or guidance of his superior before making decisions in certain matters.

(b) Conditional delegation of authority and Unconditional delegation of authority: Delegation is conditional when the action of a subordinate needs to be confirmed by the superior and may also be reviewed by the superior. In case of unconditional delegation of authority, the subordinate can act in his or her full discretion without any reservations.

(c) Formal delegation of authority and Informal delegation of authority: Delegation of authority is formal when it is laid down in the form of written rules. Delegation of authority is informal when it is based on customs and conventions.

(d) Direct delegation of authority and Intermediate delegation of authority: In case of direct delegation of authority, there no third party intervenes between two parties to delegation. In case of intermediate delegation of authority, delegation of authority is made through a third person. Mooney pointed out the example of the election of the President of the United States by the American people through the institution of the electoral college as an example of intermediate delegation of authority.



CHECK YOUR PROGRESS

Q 4: Write the meaning of delegation of authority.

.....

Q 5: Explain the meaning of Formal delegation of authority and Informal delegation of authority.

.....

Q 6 : Explain the meaning of Direct delegation of authority and Intermediate delegation of authority.

.....



10.5 LET US SUM UP

- The term coordination is defined as the process of bringing about unity and harmony of functioning and to secure cooperation and team work among the numerous departments comprising the organization. In the absence of coordination, no organisation could function effectively and achieve its objectives, as it would result in the different departments and units of the organisation working at cross-purposes.
- coordination ensures that each department or unit in the organization functions in a way that secures the harmony between their own goals, activities and requirements and those of the other departments.
- coordination is needed to eliminate wastage and duplication of work.
- Modern public administration has become increasingly complex and hence coordination is needed. Functions have become diversified requiring specialists to perform the same.
- In the absence of effective coordination, the heads of various departments may seek to expand their own spheres of influence and thereby infringe upon the jurisdiction of other departments, resulting in wastage of resources.

- Coordination may be classified as internal or external and vertical or horizontal.
- Coordination among the employees of the same department or section is called internal coordination. External coordination arises when the organisation coordinates with other departments and organisations.
- Vertical coordination is that which exists within a department wherein the departmental head coordinates the activities of all working under him. Horizontal coordination takes place sideways between different departments.
- Delegation of authority is a common feature of all types of large-scale organisations. Delegation of authority means conferring of specified authority by a higher authority to a lower authority.
- Authority once delegated may be enhanced, curtailed or withdrawn depending on the need of the situation.
- Depending on the degree of authority delegated, delegation may be of the following types: (a) full delegation of authority and partial delegation of authority (b) conditional delegation of authority and unconditional delegation of authority (c) formal delegation of authority and informal delegation of authority (d) direct delegation of authority and intermediate delegation of authority.



10.6 FURTHER READING

1) Basu, Rumki (2004). Public Administration-Concepts and Theories. New Delhi: Sterling Publishers Private Limited.
2) Bhagwan, Vishnoo and Bhushan, Vidya (2007). Public Administration. New Delhi: S. Chand & Company Ltd.
3) Naidu, S.P. (2005), Public Administarion-Concepts and Theories. New Delhi: New Age International (P) Ltd.
4) Sharma, Dr. M. P. & Sadana, Dr.B.L. (2000). Public Administration in Theory and Practice. Allahabad: Kitab Mahal.

10.7 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1 : The term coordination is defined as the process of bringing about unity and harmony of functioning and to secure cooperation and team work among the numerous departments comprising the organization. In the absence of coordination, no organisation could function effectively and achieve its objectives, as it would result in the different departments and units of the organisation working at cross-purposes.

Ans to Q No 2 : First, coordination ensures that each department or unit in the organization functions in a way that secures the harmony between their own goals, activities and requirements and those of the other departments.

Secondly, coordination is needed to eliminate wastage and duplication of work. This is because when there is no coordination, one department may not know the activities of the other departments with the result that it may unknowingly duplicate the activities of some other department.

Ans to Q No 3 : Coordination may be classified as internal or external and vertical or horizontal

Ans to Q No 4 : Delegation of authority is a common feature of all types of large-scale organisations. Although in all organisations, whole authority is vested in the head of the organisation, yet authority has to be delegated to the various employees down the administrative hierarchy rather than resting the entire burden on the shoulders of the head of the organisation. This is necessary for ensuring effective functioning of the organization based on a systematic distribution of the workload. According to Mooney, delegation means conferring of specified authority by a higher authority to a lower authority. It must be mentioned here that delegation of authority does not give a free rein to the person on whom authority has been delegated but authority has to be exercised within the prescribed limits. Authority once delegated may be enhanced, curtailed or withdrawn depending on the need of the situation.

Ans to Q No 5 : Formal delegation of authority and Informal delegation of authority: Delegation of authority is formal when it is laid down in the form of written rules. Delegation of authority is informal when it is based on customs and conventions.

Ans to Q No 6 : Direct delegation of authority and Intermediate delegation of authority: In case of direct delegation of authority, there no third party intervenes between two parties to delegation. In case of intermediate delegation of authority, delegation of authority is made through a third person. Mooney pointed out the example of the election of the President of the United States by the American people through the institution of the electoral college as an example of intermediate delegation of authority.



10.8 MODEL QUESTIONS

A) Very Short Questions

Q1 : Mention the two types of Coordination.

Q2 : Mention the different types of Delegation.

B) Short Questions (Answer each question in about 150 words)

Q 1 : Explain the meaning of coordination.

Q 2 : Explain the meaning of delegation.

Q 3 : Write about the need for coordination.

Q 4 : Write about Full and Partial delegation of authority.

C) Long Questions (Answer each question in about 300-500 words)

Q 1 : Discuss the need for coordination. Explain the various types of coordination?

Q 2 : Explain the meaning of delegation. Discuss the different types of delegation of authority.

UNIT 11: LINE AND STAFF AGENCIES

UNIT STRUCTURE

11.1 Learning Objectives
11.2 Introduction
11.3 Line Agencies
11.3 Staff agencies
  11.3.1 Meaning of Staff agencies
  11.3.2 Basic Characteristics of Staff agencies
  11.3.3 Types of Staff agencies
  11.3.4 Functions of Staff agencies
11.4 Staff agencies in India and the United States of America
  11.4.1 Staff Agencies in India
  11.4.2 Staff Agencies in the United States of America
11.5 Relationship between Line agencies and Staff agencies
11.6 Let Us Sum Up
11.7 Further Reading
11.8 Answers to Check Your Progress
11.9 Model Questions

11.1 LEARNING OBJECTIVES

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

- explain the meaning of Line agencies
- discuss the meaning and importance of Staff agencies in the realm of administration
- explain the basic characteristics and types of Staff agencies
- elaborate the different functions of the Staff agencies
- discuss the Staff agencies of India
- discuss the Staff agencies of the United States of America
- discuss the differences between Line agencies and Staff agencies
- explain how Line and Staff agencies are complementary to each other

11.2 INTRODUCTION

For the smooth functioning of the administrative machinery, formulation of appropriate policies is of utmost importance. Accordingly, in all organisations there are agencies which are entrusted with the task of making decisions and formulating policies. These are the line agencies which enjoy executive powers and lead the entire administrative machinery, whether of the state in general or of an organisation within the state.

Every government conducts its business with the help of a highly elaborate system of organization held together by 'chain of command'. The central hierarchy comprises the Line and assisting the Line are the Staff and Auxiliary agencies.

Staff agency is one of the most important components of an organization. Staff agencies provide a helping hand to the executive in the performance of its functions. Their major responsibility is to furnish the executive with necessary information and to give valuable suggestions, which are not at all binding on the executive. Its position is outside the main line of the administrative hierarchy. The Cabinet Secretariat, Prime Minster's Office, Administrative Reforms Commissions are some of the important examples of the Staff agencies operating in Indian administration.

In this unit we shall learn about line and staff agencies.

11.3 MEANING OF LINE AGENCIES

The principal agencies which are organised on the basis of substantive decision-making and executive functions are known as Line agencies. In civil administration the Line authorities are concerned entrusted with the task of making decisions, formulating policies, drawing up plans and ensuring the proper implementation of the policies on the ground. They deal directly with the people, providing services, regulating conduct, collecting taxes, accomplishing the programme authorized by the legislative bodies. They are the central element of the organisation. In contrast, Staff agencies, serve a secondary purpose by assisting the Line agencies without having any command.

Both the terms Line and Staff are derived from the military vocabulary. In the army, the Commander-in Chief has under him Generals, Colonels, Majors, Captains etc. who are all Line officers and command the troops in the field to achieve the objectives of the organization i.e. winning a war. Then, there are officers and men who are engaged in specialized services like supply, transport and medical services etc. which are essential to win a war. They are the Staff agencies in military service.

The Line agencies are one of the most important organs of an administrative system. Line agencies are directly involved in the fulfillment of the primary objectives of the organization or system. They deliver those functions for which the organization has been created. These are organized on the basis of major substantive purpose of the organization or system.

Line units in any government organization function through some organs like the Department, Government Corporation and Independent Regulatory Commissions. Of all these line agencies, the Department is the most important agency in Public Administration and forms an integral unit of the administrative machinery of all countries of the world. In public administration, 'Department' refers to the largest blocks or divisions or compartments, immediately below the Chief Executive. The work of the government is divided between these departments. It is the biggest and highest unit of administrative hierarchy. Generally, a Minister or a Secretary is entrusted with the authority over a Department for the performance of its tasks.

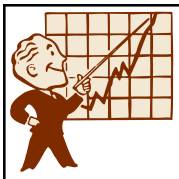
The Line agency of Independent Regulatory Commissions is available in the United States of America. The line agency of Government Corporation is more popular in developing nations of Asia, Africa and Latin America as compared to the Western countries.



ACTIVITY 11.1

Try to find out the names of certain government departments at the central and state levels.

.....



CHECK YOUR PROGRESS

Q 1 : Both the terms Line and Staff are derived from the ……vocabulary

Q 2 : Line agencies are directly involved in the fulfillment of the primary objectives of the organization or system. (True/False)

……

Q 3 : Write briefly about Line agencies. (within 60 words)

……

……

11.3 STAFF AGENCIES

Staff agencies are very important components of an organization. The following discussion will give you a wider theoretical understanding about the Staff agencies

11.3.1 Meaning of Staff Agencies

The meaning of the 'Staff agencies' is well brought from literal meaning of the word. Literally 'staff' means 'a stick on which one can lean for support, but which can neither initiate nor decide the movements'. Thus, staff agencies provide a supporting hand to the executives in an organization.

An administrative structure is headed by a Chief Executive who possesses an all embracing power and functions. So the chief and other executives cannot deliver their functions without the help of a number of subordinate officers. These subordinates who provide every possible help to the executives are known as the Staff agencies. They collect and summarize all necessary information for the benefit of the executives. The Staff greatly reduces the time and energies by planning, analyzing and in less important matters, even deciding things. The Staff agencies prepare the problems before they come to the chief and other executives. The services of the Staff always remain at the background of all executive decisions.

The meaning of the Staff agencies becomes more apparent from the following definitions-

- According to Charlesworth "a staff officer is one who specializes in research, observation and study, and who draws up plans and proposals for approval by the top executive, to whom he is attached collaterally".
- Mooney defines staff as "an expansion of the personality of the executive. It means more eyes, more ears, more hands to aid him in forming and carrying out plans".
- F. A. Cleveland says, "The Staff agencies reach conclusions; their function is to know the facts and with knowledge they make and submit plans…".
- Thus in public administration, staff refers to such activities in an organization which assist the departmental heads or the chief executive in the performance of their functions.



LET US KNOW

Staff system first took its root in the private business management and later on moved on to the government organization.

11.3.2 Basic Characteristics of Staff Agencies

The most striking features of the Staff agencies can be briefly mentioned in the following way-

- The Staff agencies perform 'secondary' functions in administration.
- The Staff agency is basically a research, consultative and advisory body.
- They are not responsible for the actual performance of their duty for which their services have been created and maintained.
- Staff agencies have no power to give any order.
- The Staff always remain in the background; its services are
- The Staff agencies do not directly deal with the people.

11.3.3 Types of Staff Agencies

The Staff agencies render a wide range of advisory and consultative functions on the basis of which Pfiffner has categorized staff agencies into three groups, for e.g. general staff, technical staff and auxiliary staff.

General Staff helps the executive in the performance of his/her administrative functions. They devote most of their time on the planning and deliberation of high policy matters. The Prime Minister's Office (PMO) in India is an excellent example of General Staff. The general staff personnel must have some special qualities like-

- They should be generalists.
- They should have knowledge about various complex matters.
- They should have capacity to co-operate, negotiate, and discuss matters ably.
- They should have patience and persistence as they have to perform the heavy task of collecting data.
- They should not be ambitious to come to the limelight.

Technical Staff is that part of the staff that renders the technical knowledge to the executive in adopting policy decisions. Every decision making needs some perfect technical support. The personnel of the technical staff are from experts and specialist like doctors, engineers, financial experts, planners, architects and so on. Any decision in the field of financial and policy formulations require the opinions of the expert.

Auxiliary Staff performs certain functions common to all departments, most of which are incidental in nature. Their functions are like maintenance of building, purchasing of furniture, training, recruitment, preparation of budgets, which are of secondary in nature. Willoughby calls these functions as "institutional or housekeeping functions". Many scholars like Willoughby and L.D. White do not consider auxiliary agencies as a part of Staff agency as they do not advise or assist in the way the former does. The

auxiliary agencies are concerned with the maintenance of the organization and are not concerned with any substantive policy decision making process. They perform functions which are very much complementary to the primary functions. The Government of India has the following Auxiliary Staff agencies-

- The Ministry of Information and Broadcasting
- The Ministry of Parliamentary Affairs
- Department of Legal Affairs
- Department of Personnel and Training.

11.3.4 Functions of Staff Agencies

The Staff agencies render different kinds of help to the executives. Without the help of the staff agencies it is almost impossible to run an administration. In different countries of the world the Staff agencies perform different kinds of functions.

According to L.D. White, the main functions of the Staff are:

- To ensure that the chief executive is adequately and correctly informed.
- To assist the executive in the formulation of future planning.
- To ensure that matters waiting for the decisions of the executive should reach his/her desk promptly, without delay.
- To protect the executive from any ill-considered hasty decisions.
- To secure means of ensuring compliances by subordinates with established policy and executive directions.

Pfiffner gives the following list of Staff functions:

- Advising, teaching and consultation
- Co-ordination not only through plan, but also through human contacts, winning over opposition at all levels of organization etc.
- Fact finding and research
- Planning
- Contact with other organizations and individuals to know what is going on.

- Assisting the line without infringing its authority
- Sometimes exercising delegated authority from the line commander within clearly defined limits

According to Mooney, Staff works have three aspects, namely informative, advisory and supervisory functions. The informative functions of the Staff are to collect relevant information on which the chief is to make decisions. The advisory functions mean that the Staff agency should advise the chief what is to be decided. However, the chief may or may not accept the advice. The supervisory function is to see that the decisions of the Chief executive is properly communicated to and implemented by the Line agencies concerned.

Thus, the functions of the Staff agencies can be summarized as the following:

- Assistance Functions: Staff agencies are to assist, help and support the executives in carrying out their functions. The P.M.O in India does the assistance type of functions in India.
- Information Functions: Through research, study and enquiry, the Staff agency is to give the relevant information to the Line and other executive body of the government.
- Advisory Functions: The Staff is to provide the executive with good and needy advices as to what decision is to be taken, how to manage a crisis situation and the like. The Planning Commission of India gives necessary advice in matters of economic planning and distribution of resources among different states.
- Supervisory Functions: The Staff agency must the see the proper implementation of the decisions taken by the executive. They must ensure that the decisions taken by the executive is duly communicated to the Line agencies concerned. The Cabinet Secretariat performs this supervisory function in India.
- Delegated Functions: On behalf of the chief Executive, the Staff agency is to do the functions delegated by the former within defined limits. For example, a Press Secretary of the Prime minister issues press notes on behalf of the Prime Minister.



ACTIVITY 11.1

Do you think that the Staff agencies in India are significantly important in the administration of the country?

.....

.....



CHECK YOUR PROGRESS

Q 4 : The Prime Minister's Office in Indian administration is ……type of Staff Agencies (Fill in the Blank)

Q 5 : The Ministry of Information and Broadcasting is an Auxiliary Staff Agency. (True/false)

.....

Q 6 : Mention any five characteristics of Staff agencies (within 50 words).

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Q 7 : What are the major functions of the Staff agencies (within 50 words)

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11.4 STAFF AGENCIES IN INDIA AND USA

11.4.1 Staff Agencies in India

Some of the important Staff agencies in India can be discussed under the following heads-

Prime Minister's Office (PMO): The Indian governmental system runs around the Prime Minster. The Prime Minister is the head of the government in India. He has enormous power and responsibility. As such he needs the assistance and suggestions from different corners for the fullest delivery of his duty. PMO stands for rendering this kind of services. As soon as India got independence, the Prime Minister stood forth as the chief executive and created a personal secretariat known as the "Prime Minister's Secretariat". Later on this Secretariat was organized and developed in the British model and came to be known as the Prime Minister's Office. During the time of Jawaharlal Nehru, it used to have only 129 members, but gradually its membership increased and at present it works just like a miniature government. It helps the Prime Minister in the discharge of his overall functions and responsibility.

Cabinet Secretariat: The Cabinet secretariat serves the cabinet as well as its Standing Committees. It has an important co-coordinating role in making decisions at the highest level. It submits cases to the Cabinet and its committees, prepares the records of decisions taken and follows up actions for the implementation of such decisions. It is headed by the Cabinet Secretary who is generally the senior most civil servant and is the principal advisor to the Prime Minister. Besides the main Secretariat, the Cabinet Secretariat comprises some other organizations like- Director General of Security, Research and Analysis Wing, Joint Intelligence Committee, and Special Protection Group.

Union Public Service Commission: UPSC is a constitutional body that has been clearly laid down in Article 315 of the Indian constitution. The Chairman and other members of the Commission are appointed by the President for a period of six years or till the age of 65, whichever is earlier. The main function of the commission is of advisory in nature. It has to render the following functions-

- It shall be the duty of the UPSC to conduct examinations for appointments for central services.
- It shall be the duty of the UPSC, if requested by two or more States to do so, to assist the States in framing and operating

schemes of joint recruitment for any services for which candidates possessing special qualifications are required.

- The UPSC shall be consulted on matters related to-
- The methods of recruitment to civil services and civil posts.
- The principles to be followed in making appointments to civil services, in making promotion and transfers from one service to another.
- All disciplinary matters affecting the central Government employee.
- Any claim for the award of pension in respect of injuries sustained by Central Government employee.



LET US KNOW

President Franklin Roosevelt and Jimmy Carter supported the circular arrangement while President Eisenhower and Nixon were in favour of the hierarchical system in White House Office.

11.4.2 Staff Agencies in the United States of America

The Presidential form of government of he United States of America revolves round the President who acts as the head of the state as well as of the government. He has enormous duties to discharge. That is why he needs some aid from different quarters. The Staff units that render help to the US Presidents can be briefly stated as follows-

The Executive Office of the President (EOP): The Executive Office of the President (EOP) is made up of the White House Offices and agencies. Its top officers are appointed by the President and they directly report to him. The heads of a number of EOP units must receive the confirmation of the Senate including the three members of the Council of Economic Advisors, the Directors of the Office of Management and Budget and the Special Representative for Trade Negotiation. The EOP helps to develop

and implement the policy and programme of the President. The EOP was created in 1939 by President Franklin. D. Roosevelt

White House Office: The White house Office is an office within the Executive Office of the President. The White house Office is headed by the White House Chief of Staff. It started functioning as a small office for personal assistance to the President of the United States. There is no fixed membership of the White House Office. Its organization and composition varies from President to President, as each President designs it according to his choice and taste. While some Presidents prefer the "circular mode" of organization under which a number of senior assistants report directly to the President, others prefer a more hierarchical arrangement of the office that places larger coordination and integrating responsibility on a chief of staff.

National Security Council: The National Security Council is composed of four members, namely, the President, the Vice-President, the Secretary of State and the Secretary of Defence. The National Security Council staff works under the direction of the Assistant to the President for National Security Affairs. It has an advisory role to play. The President takes their advice in the formulation of foreign policy of the country.

The Office of Management and Budget: This is the largest agency in the EOP. It helps the President to formulate and execute the budget, assessing programme objectives, and the like.

The Office of Management and Budget, National Security Council and the White House Office together constitute the Executive Office of the President of America.(EOP)



CHECK YOUR PROGRESS

Q 8 : The White house Office is headed by whom?

Q 9 : Write down the name of the three auxiliary staff working in the Indian Governmental System.

.....

.....

Q 10 : Name the chief organs of the Executive Office of the President of United States of America.

.....

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ACTIVITY 11.2

In your opinion which of the following staff agencies is more powerful in India- the Prime Minister's Office or the Union Public Service Commission (UPSC).

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11.5 RELATIONSHIP BETWEEN LINE AGENCIES AND STAFF AGENCIES

Governmental administration is run by the Chief Executive who is helped by the Line and Staff agencies. In fact, Staff agencies are created to support, aid, advise and assist the Line agencies in performing their executive functions of decision making and policy formulation. The Staff agency is basically a research, consultative and advisory body. Staff agencies have no power to give any order and always remain in the background.

The major differences between the Line and Staff agencies can be enumerated as follows-

- Line agencies have the right to command, while the Staff agencies have the right to provide advice and assistance only.
- Line agencies directly accomplish the objectives of the organization, while Staff agencies assist the Line to fulfil the objectives.
- Line agencies make operative decisions, while the Staff agencies render ideas for taking decisions.
- The functions provided by the Line are an end itself, while the

functions provided by the Staff are means to get that end.

- While the functions of the Line are substantive, the functions provided by the Staff are supportive in nature.
- Line agencies bear final responsibility for results, while the Staff does not take any responsibility for the final work taken by the executive.
- Line agencies remain in direct contact with the people, while the Staff agencies work from behind. Staff agencies do not have any direct contact with the people.

Though the above mentioned distinctions between Line and Staff are apparently visible the present day working of government administration blends the workings of the both Line and Staff agencies. In many cases it becomes difficult to compartmentalize the functions rendered by Staff and Line agencies. It is also not always true to say that the Staff agencies do not have any authority at all. The Staff agencies exert much influence in actual working of the administration; especially the command of the technical staff cannot be undermined by the Line executives. In most of the cases the Line agencies have to accept and carry out what comes from the Staff unit. The Staff agencies with their high skill and expertise influence the decisions of the Line units. In many cases the right to be consulted gives sufficient power to the Staff to intervene effectively in the functioning of the Line units. Staff officers are not directly engaged in the task of decision-making. However, because of their broad knowledge and expertise, the advice given by the Staff agencies is seldom ignored. The necessity of Staff agencies is highly felt in the modern day administration with its growing size and activities where the Line agencies cannot function without the assistance of the Staff agencies. Therefore, the Staff is indispensable to the Line executives in the performance of their multifarious tasks.

The relationship between the Line and Staff agencies is observed by Pfiffner and Presthus in these words “In general the distinction between the Staff and Line follows that between the direct and indirect labour, the direct being the Line and the indirect being the Staff.”



CHECK YOUR PROGRESS

Q 11 : The statement "In general the distinction between the Staff and Line follows that between the direct and indirect labour, direct being the Line and the indirect being the Staff", was made by ..... (Fill in the Blank)

Q 12 : The influence of Staff agencies in comparison to Line agencies is totally insignificant (True/False)

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Q13 : Mention any five differences between Line and Staff agencies. (within 50 words)

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11.6 LET US SUM UP

- The principal agencies which are organised on the basis of substantive decision-making and executive functions are known as Line agencies.
- In civil administration the Line authorities are concerned entrusted with the task of making decisions, formulating policies, drawing up plans and ensuring the proper implementation of the policies on the ground.
- In civil administration the Line authorities deal directly with the people, providing services, regulating conduct, collecting taxes, accomplishing the programme authorized by the legislative bodies. They are the central element of the organization. In contrast, Staff agencies serve a secondary purpose by assisting the Line agencies without having any command.

- Both the terms Line and Staff are derived from the military vocabulary. In the army, the Commander-in Chief has under him Generals, Colonels, Majors, Captains etc. who are all Line officers and command the troops in the field to achieve the objectives of the organization i.e. winning a war.
- Line agencies have the right to command, while the Staff agencies have the right to provide advice and assistance only.
- Line agencies directly accomplish the objectives of the organization, while Staff agencies assist the Line to fulfil the objectives.
- While the functions of the Line are substantive, the functions provided by the Staff are supportive in nature.
- Line agencies bear final responsibility for results, while the Staff does not take any responsibility for the final work taken by the executive.
- It is also not always true to say that the Staff agencies do not have any authority at all. The Staff agencies exert much influence in actual working of the administration; especially the command of the technical staff cannot be undermined by the Line executives.
- In most of the cases the Line agencies have to accept and carry out what comes from the Staff unit.
- The Staff agencies with their high skill and expertise influence the decisions of the Line units.
- Staff officers are not directly engaged in the task of decision-making. However, because of their broad knowledge and expertise, the advice given by the Staff agencies is seldom ignored. The necessity of Staff agencies is highly felt in the modern day administration with its growing size and activities where the Line agencies cannot function without the assistance of the Staff agencies. Therefore, the Staff is indispensable to the Line executives in the performance of their multifarious tasks.
- Staff agencies are very important components of an organization. The meaning of the ‘Staff agencies’ is well brought from literal

meaning of the word. Literally 'staff' means 'a stick on which one can lean for support, but which can neither initiate nor decide the movements'. Thus, staff agencies provide a supporting hand to the executives in an organization.

- The Staff agencies perform 'secondary' functions in administration. The Staff agency is basically a research, consultative and advisory body.
- The Staff agencies render a wide range of advisory and consultative functions on the basis of which Pfiffner has categorized staff agencies into three groups, for e.g. general staff, technical staff and auxiliary staff.
- There are some differences between Staff agencies and Auxiliary agencies.
- The striking similarity between Staff and Auxiliary agencies is that both of them exist to facilitate and help the line agencies in the performance of their responsibility.
- The Staff agencies render different kinds of help to the executives. Without the help of the staff agencies it is almost impossible to run an administration. In different countries of the world the Staff agencies perform different kinds of functions.
- The functions of the Staff agencies can be summarized as Assistance Functions, Information Functions, Advisory Functions, Supervisory Functions and Delegated Functions
- Some of the important Staff agencies in India are Prime Minister's Office (PMO) and Union Public Service Commission.
- Staff Agencies in the United States of America include the White House Office, the Executive Office of the President (EOP), National Security Council and the Office of Management and Budget.
- Though the distinction between Line and Staff are apparently visible, the present day working of government administration blends the workings of the both Line and Staff agencies. In many cases it becomes difficult to compartmentalize the functions rendered by Staff and Line agencies.



11.7 FURTHER READING

1) Basu, Rumki (2004). Public Administration-Concepts and Theories. New Delhi: Sterling Publishers Private Limited.
2) Bhagwan, Vishnoo and Bhushan, Vidya (2007). Public Administration. New Delhi: S. Chand & Company Ltd.
3) Naidu, S.P. (2005), Public Administarion-Concepts and Theories. New Delhi: New Age International (P) Ltd.
4) Sharma, Dr. M. P. & Sadana, Dr.B.L. (2000). Public Administration in Theory and Practice. Allahabad: Kitab Mahal.



11.8 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1 : military

Ans to Q No 2 : True

Ans to Q No 3 : The principal agencies which are organised on the basis of substantive decision-making and executive functions are known as Line agencies. In civil administration the Line authorities are concerned entrusted with the task of making decisions, formulating policies, drawing up plans and ensuring the proper implementation of the policies on the ground. They deal directly with the people, providing services, regulating conduct, collecting taxes, accomplishing the programme authorized by the legislative bodies. They are the central element of the organisation.

Ans to Q No 4 : Pfiffner and Presthus.

Ans to Q No 5 : False

Ans to Q No 6 : Five differences between the Line and Staff agencies are as follows:

1. Line agencies have the right to command and take decisions and help to reach the objectives of the organisation, while the Staff agencies have the right to advise and assist Line agencies to make the goals fulfilled.

2. The functions provided by the Line are an end itself, while the functions provided by the Staff are means to get that end.

3. The functions of the Line are substantive in nature but Staff provides supportive functions.

4. Line agencies have the final responsibility for the works done by the organisation/executive, while the Staff does not take any responsibility for the final work taken by the executive.

5. There is a direct contact of the Line agencies with the people, while the Staff agencies work from behind.

Ans to Q No 7 : General Staff

Ans to Q No 8 : True

Ans to Q No 9 : Government administration is run by Chief Executive who is helped by the Line and Staff agencies. In fact, Staff agencies are created as a support base for the Line agencies. The following are the major characteristics of the Staff agencies-

1. The Staff agency is basically a research, consultative and advisory body.

2 They are not responsible for the actual performance of their duty for which their services have been created and maintained.

3. Staff agencies have no power to give any order.

4. The Staff always remain in the background; its services are anonymous.

5. The Staff agencies do not directly deal with the people.

Ans to Q No 10 : Staff agencies are supposed to deliver a number of functions though their functions differ across different countries. Staff agencies are to assist, help and support the executives in carrying out their functions. Through research, study and enquiry, the Staff agency is to give the relevant information to the Line and other executive body of the government. The Staff is to provide the executive with advice as to what decision is to be taken, how to manage a crisis situation and the like. The Staff agency supervises the proper implementation of the decisions taken by the executive. They must ensure that the decisions taken by the executive is duly communicated to the Line agencies concerned. Sometimes the Staff agencies also do the delegated functions on behalf of the chief Executive, within defined limits.

Ans to Q No 11 : White House Chief of Staff.

Ans to Q No 12 : Three Auxiliary agencies working in India.

1. The Ministry of Information and Broadcasting
2. The Ministry of Parliamentary Affairs
3. Department of Personnel and Training.

Ans to Q No 13 : The Office of Management and Budget, National Security Council and the White House Office.



11.9 MODEL QUESTIONS

A) Very Short Questions

Q.1 : The agencies which are organised on the basis of substantive decision-making and executive functions are known as what ?

Q.2 : Which is the most important Line agency in public administration?

Q.3 : Mention any two types of Line agencies.

Q.4 : Mention two Staff agencies working in India.

Q.5 : Mention the three staff agencies into which Pfiffner has categorized staff agencies.

Q.6 : Mention any two special qualities that the general staff personnel must have.

Q.7 : Mention any two staff agencies of the United States of America.

B) Short Questions (Answer each question in about 150 words)

Q.1 : State the meaning of Line agencies.

Q.2 : Mention any four differences between Line and Staff agencies.

Q.3 : Explain the basic characteristics of staff agencies.

Q.4 : Explain the different types of staff agencies?

C) Long Questions (Answer each question in about 300-500 words)

Q.1 : Explain the meaning of Line agencies. Discuss the relationship between Line and Staff agencies.

Q.2 : Explain the major functions provided by the Staff Agencies?

Q.2 : Describe the staff agencies in the United States of America.

UNIT 12: LINE AGENCY-DEPARTMENT

UNIT STRUCTURE

12.1 Learning Objectives

12.2 Introduction

12.3 Department

- 12.3.1 Need of Department
- 12.3.2 Bases of Department
- 12.3.3 Head of Department
- 12.3.4 Types of Departments

12.4 Government Department in India

- 12.4.1 Ministry of Home Affairs
- 12.4.2 Ministry of Finance

12.5 Let Us Sum Up

12.6 Further Reading

12.7 Answers to Check Your Progress

12.8 Model Questions

12.1 LEARNING OBJECTIVES

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

- describe the need of departments in administration
- discuss the various bases of departmentalization
- explain the role of department in the functioning of administration
- discuss some important government departments existing in India

12.2 INTRODUCTION

Line units in any government organization function through some organs like the Department, Government Corporation and Regulatory Commissions. This unit attempts to deal with the concept of Department. The subsequent units (Unit 13 and Unit 14) will deal with the Regulatory Commissions and the Government Corporation respectively.

In Public Administration, 'Department' refers to the largest blocks or divisions or compartments, immediately below the Chief Executive. The work of the government is divided between these departments. It is the biggest and highest unit of administrative hierarchy. Generally, a Minister or a Secretary is entrusted with the authority over a Department for the performance of its tasks. Departmentalization is the process of dividing the work of the government into various departments or other units.

In this unit, you will be acquainted with the functioning of the government through various departments. We will also deal with the need for a department and also the criteria which are generally adopted for making such departmentalization. Besides this, we will be giving you a brief idea of some of the important departments functioning in the Indian administration.

12.3 DEPARTMENT

The Line agencies are one of the most important organs of an administrative system. Line agencies are directly involved in the fulfillment of the primary objectives of the organization or system. They deliver those functions for which the organization has been created. These are organized on the basis of major substantive purpose of the organization or system.

Departments are one of the main elements of Line agency. Departments deliver the most important functions and responsibilities of the government organization. The following points will give you a clear idea on different aspects of departmental organization.

12.3.1 Need of Department

Government organizations work well with the system of departments. The basic purpose of departmentalization is to make the administration manageable as well as to secure the specialized services. The following points will account for the need of departmental organization in administration –

Specialisation: Departmentalization enables an organization to take the benefits of specialized services. Every department is entrusted with some particular functions and they can develop expertise in the concerned works. It leads to the efficient functioning of the organization.

Autonomy: Departmentalization leads to some amount of autonomy to the concerned department. The ministers or secretary has freedom to run the department as they want, of course with adherence to rules and regulations. It gives them motivation to take up plans and works in the department.

Fixation of Responsibility: Departmentalization fixes some particular responsibility on particular departments or divisions. It precisely defines the area of operation as well as the responsibility of each division. It also makes a department or an individual accountable for the performance of its job.

Appraisal: Departmentalization leads to easier appraisal of the functions of ministers or departments as specific tasks are assigned to them.

Administrative Control: It helps to manage and control the large works of the administration. The very complex organization can be divided into small and flexible administrative units. It simplifies the whole mechanism of administration.

The complex administrative organizations of modern states urgently need the help of departmental organization. It allows more time to the executive for the consideration of important executive problems.

12.3.2 Bases of Departmentalization

It is indeed quite difficult to determine the criteria on the basis of which departmentalization of an organization can be done. At different times and places, different factors have entered into the decisions of creating departments. In a general sense, the commonly used criteria/principles in the process of departmentalization are-

- The Functional Criteria or Purpose Principle
- The Process Criteria or Professional Principle
- The Clientele Criteria or Commodity Principle
- The Geographical Principle



LET US KNOW

Luther Gullick has proposed four bases on which work may be divided and departments may be created. These are- Purpose (function), Process (technique), Persons (clientele), Place (territory), popularly known as 4Ps of Gullick.

The following paragraphs will give you an idea of the advantages and disadvantages of adopting these principles or bases of departmentalization.

1. The Functional Criterion or Purpose Principle: In many places all over the world the departmental organization is based on the principle of purpose or function of the department. Under this principle, each major or basic function is organized as a department.

- **Advantages of Functional Criterion or Purpose Principle are:**

(i) It is the most logical and natural form of departmentalization.

(ii) It permits the organization to build expertise and excellence around particular functions which lead to efficiency in the organization.

(iii) It is the most economical principle that helps to eliminate the unnecessary duplication of the same work. It reduces the waste of time and energy which would occur if the units are scattered.

(iv) It helps to fix up responsibility on some particular department. Each department is organized on the basis of their particular function and it can be held responsible for the function for which it has been created.

(v) It makes the administrative organization easily intelligible to the people who can understand the broad purpose and the working of the government.

(vi) It facilitates the hiring, training and career advancement of personnel who are qualified and experienced in their respective fields of specialization.

(vii) It enables the top management to exercise effective control over a limited number of functions.

Keeping in view all these merits of the functional principle, the Hoover Committee recommended that the purpose should be the basis of an organization. It said that "the numerous agencies of the executive branch must be grouped into departments as nearly as possible by major purposes in order to give a coherent mission to each department."

- **Disadvantages of Functional Criterion or Purpose Principle are:**

It does not mean that the organization of department on the basis of functional principle is totally faultless. The following are the major criticisms against the functional principle-

(i) For a large and expanding organization, it becomes difficult to compartmentalize the function of the organization on the basis of purpose or function only. Each day, some new functions come up and the size of the department also increases. In spite of the fact that sub-units are formed to manage such a huge bulk of functions, there emerges some serious problem in co-coordinating these sub-units within the department itself.

(ii) When a department is based on functional grounds certain aspects of the functions may not get adequate attention.

(iii) The heads and other members of a functional department may develop functional bias which tends to hinder organizational unity and harmony.

2. The Process Criterion or Professional Principle: Another important basis for the departmental organization is the process or technique. The word process implies a technique or primary skills more or less specialized in nature like engineering, medical, accounting etc. Departments may be created on the basis of the technique or process involved in the performance of the work. On the basis of the process criterion, a department is organized with those people who have similar professional training or who make

similar professional training or equipments.

- **Advantages of the Process Principle:**

(i) It ensures the use of the best updated technology.

(ii) It facilitates uniformity and coordination as, for example, if all engineering services are grouped together under one department this would bring about uniformity in budgeting, operational planning, coordination and control.

(iii) This principle is most useful in the context of the career service for government employees.

(iv) Organization by process facilitates cost analysis in the several fields and therefore makes more readily available comparative data for budgeting and accounting.

- **Disadvantages of the Process Principle:**

(i) The process principle will make coordination difficult to achieve. Luther Gullick has mentioned that failure on the part of one department may spoil the whole organization.

(ii) It puts more emphasis on the means than on the ends.

(iii) Very often the process basis leads to the appointment of narrow specialists as departmental heads. It leads to the inter-departmental and intra-departmental conflicts.

(iv) Good administration is not only a matter of skill in various technical processes. The government is concerned with the general welfare of the people which is to be done through Social Welfare, Education, and Home Department than through the Engineering or Law Department.

3. The Clientele Criterion or Commodity Principle: When a department is organized to serve a special need of a group of people, the basis of organization of the department is said to be clientele or persons served. For example in India, the Ministry of Minority Affairs is a classic example of this type of organization. These departments

deal with the affairs of the particular target group for which they are created just as the Ministry of Minority Affairs looks into the overall development of minorities in the country regarding their health, education, livelihood, job security etc.

- **Advantages of the Clientele Principle:**

(i) It makes a good relationship of the common people to that of the administration; a labourer would go to the Department of Labour only to find solutions to his problems.

(ii) As the Clientele departments are multifunctional, the staff involved in these departments develop the capacity to comprehend and solve problems instead of dealing with them in a fragmentary way.

(iii) It fulfills the social purpose of administration. By focusing on the specific problems of the particular community, it tries to solve the problems of some disadvantaged groups.

- **Disadvantages of the Clientele Principle:**

(i) It cannot be used universally. The number of people to be served by a department is a huge bulk of numbers and it will be quite difficult to divide them into groups or it will create thousands of groups. This will create multiplicity of departments which is not at all helpful for the administration to work smoothly.

(ii) Any such departmental pattern would inevitably lead to jurisdictional conflict and duplication.

(iii) It is against the principle of specialization. Being multifunctional, each department will deal with heterogeneous problems of a group.

4. The Geographical Principle: The fourth criterion of departmental organization is based on the geographical location. The Foreign Affairs Department in Indian Government is purely based on this principle. Thus, within the Foreign Affairs Department there are the divisions of African Affairs, Gulf Affairs, Southeast Asian Affairs, European Affairs etc.

➢ **Advantages of the Geographical Principle:**

(i) It caters to the needs of different areas concerned.

(ii) This mode also satisfies an effective medium through which the needs and aspirations of different sections of people can be presented to the administration.

(iii) This form of departmental organization reduces the travel and communication cost to a large extent.

(iv) A large country, with a huge geographical area, can adopt this principle for domestic administrative organization. The Tennessee River Valley in the USA, under the control of a single federal agency jurisdiction has made it possible to integrate various engineering, power, navigation, housing and agricultural projects.

➢ **Disadvantages of the Geographical Principle:**

(i) It creates difficulties in mapping out uniform national policies.

(ii) Territorial organizations many a time encourages localism and centrifugal forces at the cost of national solidarity.

(iii) Territorial bases of departmental organizations may give rise to narrow regionalism at the cost of the national interest.

(iv) It sets up multifunctional departments against the principle of specialization and division of labour.

From the above discussion, it is apparent that no single principle is absolutely the best. That is why in the organization of the department or a ministry, no single principle is used. The selection of the criteria depend on the circumstances as well as the objectives of the organization. Generally, to fulfill all the purposes of the organization, almost all the four above mentioned principles are simultaneously used by the administrative set up. In many cases they overlap with each other and supplement each other. Each function in a department involves some process and is discharged for a certain section of people, residing in a particular area or region. All these principles are

complementary to each other and all are used in all countries for the formation of departments.

12.3.3 Head of Department

In every departmental organization there must be somebody who can be held responsible for the overall management of the organization. He/she is responsible for the direction, control and superintendence of the activities of the department. Thus, the administrative head of the department has a pivotal position in the organization of the department. Sometimes there is a single head who takes up all the responsibilities of the department and many a time, there are a group of persons who are jointly held responsible for all the works of the department. The former is called Single Head or Bureau type of organization while the latter is known as Plural Head or Board type of organization.

(i) Single Head/ Bureau Type Head

When the authority to control a department is vested in a single individual, it is known as Bureau system. Most of the government departments follow this system.

- *Merits of Bureau system :*

  The efficient operation of the administrative activity requires the unity of command, promptness of decisions and performance. This is very much possible through the working of single headship in the administrative set up. The following are the major advantages of the Bureau system of organization.

  Under this system, as all the powers are vested in one individual, he/she can take decision without depending much on the subordinate staff.

Prompt decisions can be taken under the control of a single head without going to debates and much controversy.

It is most suitable in those activities that require discipline and unity of purpose.

The single headship often leads to efficient, quick and effective administration.

Bureau system is most suited .to the organizations where systems have been established, procedures have been laid down and standards are well established.

Bureau system clearly defines and locates the responsibility of departmental workings.

- **Demerits of Bureau system :**

Concentrated and singly vested power often results in autocratic administration. It is also highly prone to corruption.

The single head may find it difficult to resist political pressure.

Under the Bureau system, the single head may become overburdened which may result in inefficient administration. It may also lead to delay in decision making.

(ii) Plural Head/Board Type Head

It implies a kind of organization where the powers are vested not in a single individual but a group of individuals. Each Board or Commission is generally headed by a Chairman.



LET US KNOW

There is difference between Board and Commission. According to Willoughby, "A Board is a group of members who are required to act collectively upon matters falling within their respective jurisdiction….A commission is a group of members having the duty not only of acting collectively as a Board, but also of serving individually as heads of organizational units that have been set up for the performance of administrative work that has to be done."

There are different kinds of Boards operating in the administrative set up of a country. These Boards can be classified under the following divisions-

(a) *Advisory Boards*:

Advisory Boards are attached to each department to provide necessary suggestion to the department. But the suggestions rendered by such bodies are not binding on the Department. The Central Advisory Board of Education in India is an example of the same.

(b) *Administrative Boards*:

Administrative Boards are those which function as the head of the departments. For example, the Railway Board is the administrative head of Railway Department. Similarly, the Central Board of Direct Taxes is also an example of Administrative Board.

(c) *Board Tied into Hierarchy*:

Board Tied into Hierarchy is a kind of departmental board tied down with the immediate levels of administrative hierarchy. They do not have the power to run the administration, but are entrusted with some kind of quasi- legislative or quasi-judicial function regarding specific matters. The Electricity Board is an example of this kind of Board.

- *Merits of the Plural Head/Board Type Head :*

  It is most useful in those organizations that have not yet developed settled guidelines or rules or regulations. In this

case, deliberation and discussions are needed to discover the right course of action.

The plural executive can cope up with the necessary outside pressure.

It can prevent the discretionary and autocratic power of the single individual.

It gives an impartial attitude in the process of decision making. As decisions are generally taken after a common consensus among the members, its decisions are held as impartial.

- *Demerits of the Plural Head/Board Type Head :*

There is a problem of locating the responsibility under the plural head.

It stands in the way of quick and prompt delivery of functions.

The decisions of the board are often based on the principle of compromise which may not be rational enough to achieve the desired objective.

It very often leads to disintegration and lack of well articulated direction in administration.

In general practice, the single system of headship is preferred all over the world because of its unity of command and quick decision making power. The plural or Board system is used to serve specific purposes only.



LET US KNOW

In India, we generally follow the Bureau type of head in governmental organization. On the political side, it is the Minister in charge of the department, and on the administrative side it is the Secretary. Some of the departments in India are headed by plural bodies such as Board or Commissions like the Central Board of Direct Taxes, the Central Board of Excise and Customs which control income tax and excise and customs respectively.

12.3.4 Types of Departments

Departments differ from one another with respect to their size, structure, nature of work, and internal relationship.

According to size, departments may be small or large, for example, Defence, Railways, Post and Telegraph departments of the Government of India are large departments having thousands of employees, while the department of registration, local self government in the States are small departments.

Structurally speaking, a department may be of unitary or federal type. A unitary department is set up particularly for a single purpose like defence, education etc. A federal department actually functions in a multifunctional way or functionally it is heterogeneous. It is a federation or agglomeration of several sub-departments each with its distinct functions. The Home Ministry in India is the example of this type of department that caters to the works of appointment, discipline and retirement etc. (See Ministry of Home Affairs in 16.4.1).

According to the nature of work departments also vary, for example, the postal department is to handle letters and parcels, the police department maintains law and order.

Departments also vary with respect to the geographical distribution of their work. In case of some departments, their entire work is concentrated at the headquarters so that there is no field agency under them. The Department of Finance is an example where all work is concentrated at headquarters. In case of others, the work is geographically dispersed and done through subordinate field agencies. For example, the Post and Telegraph department, Police department , etc. largely do their work through the subordinate agencies spread all throughout the country.



CHECK YOUR PROGRESS

Q 1: In a general sense, the commonly used criteria in the process of departmentalization are the Purpose Principle, the Professional Principle, the Commodity Principle and the .....Principle. (Fill in the Blank)

Q 2: The Department of Finance is an example where all work is concentrated at headquarters. (True/False)

.....

Q 3: Mention any four advantages of Bureau system.

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12.4 GOVERNMENT DEPARTMENT IN INDIA

In India, the organizational set up of the government consists of ministries having departments and offices under them which carry out the business of the government. Every Minister is assisted by an administrative organization which is known as the Ministry which consists of a number of departments. For the efficient working within the department, a department is divided into wings, divisions, branches and sections. A typical ministry of the government of India is like a three-storied building consisting of-

(1) The Minister in charge, who is the political head who has under him one or more deputy ministries, ministers of state, parliamentary secretaries etc.

(2) The Secretariat organization and the attached offices of the Ministry

(3) The Executive organization of the department within the department.

At the time of the independence of the country in 1947, the Government of India had only 18 departments. By the end of 1998 this number has been

increased to 44 (working under the Government of India [allocation of Business] Rules, 1961). Some of these important ministries are - Ministry of Agriculture, Ministry of Home Affairs, Ministry of Defence, Ministry of External Affairs, Ministry of Human Resource Development, Ministry of Social Justice and Empowerment and so on. The following paragraphs will briefly deal with two of these important ministries working in the Indian governmental system.

12.4.1 Ministry of Home Affairs

The Ministry of Home Affairs is one of the most important ministries in the government of India. It has a unique place in the governmental affairs of the country.

The Ministry of Home Affairs is headed by a senior Minister of Cabinet rank who is assisted by a Minister of State and a Deputy Minister. A senior bureaucrat of IAS cadre is the administrative head of the Department. He is known as the Home Secretary. He is the head of many powerful committees under the Ministry. The Secretary is assisted by Additional Secretaries, Joint Secretaries, Deputy and Under Secretaries. Besides this, a Consultation Committee consisting of selected members of Parliament is attached to the Ministry of Home Affairs. It is only consultative in nature. It meets under the chairmanship of the Home Minister to discuss important matters relating to the Ministry.

The work of the Ministry is organized into six departments and eighteen divisions. The departments are as follows:

- Department of Border Management
- Department of Internal Security
- Department of J & K Affairs
- Department of Home
- Department of Official Language
- Department of States

There are certain offices attached to the Ministry. The attached offices are as follows:

- Central Intelligence Bureau
- Central Bureau of Investigation
- National Academy of Administration
- Secretariat Training School
- Office of the Registrar General Census
- Central Reserve Police and
- Border Security Force.

Besides there are also certain subordinate offices such as National Police Academy, Indo-Tibetan Border Police, etc. The Central Vigilance Commission that deals with corruption in public services also works under this Ministry.

The Ministry of Home Affairs is the key ministry in the Government of India. The Home Minister is next to the Prime Minister. The Ministry is responsible for the internal peace and security of the country, thereby protecting the life, liberty and property of the people. It also deals with the centre-state relation including inter-state matters. It administers the Indian Police Service and maintains paramilitary forces. Besides this, the Ministry keeps constant control on the communal situation of the country and deploys central forces to maintain order and security. Ministry of Home Affairs is said to be the 'mother-ministry' in the Indian governmental system. Nearly 150 subjects are entrusted to this Ministry. The most important of these subjects are-

- Formation of the new states and alteration of names and boundaries of existing states
- Dealing with the notification of assumption of office by the President, Vice-President and notification of appointment of the Prime Minister and other Ministers
- Appointment, resignation and removal of senior officers and judges of the Supreme Court and High Courts

- Matters relating to the Emergency provisions of the Constitution
- Preventive detention for reasons connected to defence, foreign affairs, and security of India.
- Citizenship and naturalization.
- Deportation of foreign nationals from India.
- Census of Population
- Immigration from foreign and Commonwealth countries
- Matters relating to national integration
- Border Security Force
- Central Services, Union Public Service Commission
- Arms, ammunition, and matters relating to the Explosive Substance Act, 1908
- Administrative reforms
- Criminal law and Procedures

Thus, the Ministry of Home Affairs exercises a number of important functions of the Government of India and commands respect. As a custodian of law and order and security of the country, he always has an upper hand and cannot be ignored by anyone.

12.4.2 Ministry of Finance

The Ministry of Finance is an important ministry in the Government of India. It is headed by a senior minister of Cabinet rank. The Finance Ministry is presently organized into the following departments-

- Department of Economic Affairs
- Department of Expenditure
- Department of Revenue
- Department of Financial Services
- Department of Disinvestment

In 1998, the Department of Company Affairs, which was under the Ministry of Finance, was transferred to the Ministry of Law. The Department of Banking which was with the Finance Ministry was abolished in 1977.

The Revenue Department:

The Revenue Department deals with the direct and indirect taxes of the Union. It exercises this control through the Central Board of Direct Taxes and the Central Board of Excise and Customs. Each of these Boards consists of a Chairman and three members. The chairman of the Board holds ex-officio status of Additional Secretary and other members of ex-officio Joint Secretaries to the Government of India. The Department has under it seven attached offices and a large number of subordinate offices. The Revenue Department looks after the following:

1. The Central Board of Revenue
2. Supply and distribution of all kinds of stamps.
3. Questions relating to income tax, corporation tax, capital gains tax, excess profit tax, wealth tax, expenditure and gift tax.
4. Question relating to opium, alcoholic preparation.
5. All matters relating to custom, excise etc.
6. Administration of sales tax and Foreign Exchange Regulation Act.
7. Life Insurance Corporation and the matters relating to it.
8. Supervision and control of the Income tax Department, Customs Departments, Central Excise Department and Narcotics Department.

The Expenditure Department:

The Expenditure Department is under the charge of the Secretary (Finance) who is assisted by one Secretary, two additional Secretaries, and a number of Joint Secretaries and Finance and Accounts officers. It has many branches, namely Public Finance, Establishment, Civil Expenditure, Cost Accounts, Plan Finance Division, Staff Inspection Unit and Defence Expenditure. Each of these

branches functions under a Joint Secretary and deals with the scrutiny and sanctions of a group of administrative ministers. The Joint Secretary is assisted by a Deputy Secretary and a number of Under Secretaries. The Department of Expenditure deals with the following-

1. Financial rules and regulations and delegations of financial power.
2. Financial sanctions relating to all Ministers and offices of the Government of India.
3. Review and advice to Ministers on cost account matters.
4. Review of the staffing of the central governmental establishment.
5. Statutory grants to state and state finance.
6. Local taxation and expenditure proposals relating to Delhi.
7. Grants to the Indian Institute of Public Administration.
8. Indian Audit and Accounts Department.
9. Defence Accounts Department.
10. Bureau of Public Enterprise including Industrial Management.

The Department of Economic Affairs:

The Department of Economic Affairs is under the charge of a Special Secretary who is assisted by Additional Secretaries, a number of Joint Secretaries, and economic Advisers. The Department has one Attached office, eight Subordinate offices and one Public Undertaking. The Department is divided into five divisions, namely, Budget Division, Internal Finance Division, External Finance and Foreign Aid, Economic Division and Administrative Division. The Department of Economic Affairs deals with the following matters-

1. Preparation of the Central budget and submission of the same to the Parliament for approval.
2. Matters relating to the borrowing and floating of market loans.
3. Matters relating to Foreign Exchange.
4. Matters relating to currency and banking.

5. Control over the issue of capital by joint stock companies.
6. Investment policy.
7. Import and export of gold and silver.
8. Technical and financial aid for economic development.
9. Finance Commission
10. Stock Exchanges.
11. Administration of Public Department Act, the Central Treasury Rules, Contingency Fund of India Rules, Industrial Finance Corporation Act, 1948, State Financial Corporation Act, 1951 etc.

Thus, the Finance Ministry is responsible for the formation of a sound economic policy of the country and the all round economic development of its people.

Department of Financial Services:

The main objective of the department is to foster a well regulated and orderly growth of banking and insurance sector to serve all sections of society. It appoints Chief Executives and Government nominee Directors / non-Directors on the Boards of Public Sector banks, Public Sector Insurance companies; Chief Vigilance Officers (CVOs) in Boards of Public Sector banks and Insurance Companies, etc.

The department also frames rules and regulations with respect to service conditions of employees of Public Sector insurance companies and Chairperson and Members of IRDA, wage settlement in banking and insurance industry. It seeks coordination between industry, banks and financial institutions.

The Department of Disinvestment :

The Department of Disinvestment was set up as a separate department on December 10, 1999 and was subsequently renamed as the Ministry of Disinvestment from September 6, 2001. Presently, from May 27, 2004, the Department of Disinvestment has been functioning as one of the departments under the Ministry of Finance.

Primarily, the department looks after all matters relating to disinvestment of Central Government equity from Central Public Sector Undertakings.



LET US KNOW

The American pattern of departmental organization differs from the Indian one. In the USA, the political level reaches much lower down into the hierarchy of the department. The President is the head of the executive under whom there are twelve administrative departments. Each department is headed by a secretary who may have under him under secretary, lower down several assistant secretaries, special assistants. Most of them are political appointees. Each assistant secretary is in charge of a group of bureau. Most of them are from career service (equivalent to Civil servants in India). Thus, in the USA, civil servants are found only up to the bureau level, and all positions higher up are occupied by political appointees. Most of the bureaus in the USA are operational units corresponding to the offices of the executive head of departments in India.



CHECK YOUR PROGRESS

Q 4: Name any four attached offices of the Ministry of Home Affairs in India.

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Q 5: The Department of Economic Affairs prepares the central budget in India. (True/ False).

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Q 6: What is the role of Ministry of Home Affairs in the administration of our country (Within 50 words) ?

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12.5 LET US SUM UP

Departments are one of the main elements of Line agency. Departments deliver the most important functions and responsibilities of the government organization.

Government organizations work well with the system of departments. The basic purpose of departmentalization is to make the administration manageable as well as to secure the specialized services.

The commonly used criteria/principles in the process of departmentalization are-

the Functional Criteria or Purpose Principle, the Process Criteria or Professional Principle, the Clientele Criteria or Commodity Principle and the Geographical Principle

When the authority to control a department is vested in a single individual, it is known as Bureau system. Most of the government departments follow this system.

In a Plural Head/Board Type Head powers are vested not in a single individual but a group of individuals. Each Board or Commission is generally headed by a Chairman.

Departments differ from one another with respect to their size, structure, nature of work, and internal relationship. According to size, departments may be small or large, for example, Defence, Railways, Post and Telegraph departments of the Government of India are large departments having thousands of employees, while the department of registration, local self government in the States are small departments.

Structurally speaking, a department may be of unitary or federal type. A unitary department is set up particularly for a single purpose like defence, education etc. A federal department actually functions in a multifunctional way or functionally it is heterogeneous.

According to the nature of work departments also vary, for example, the postal department is to handle letters and parcels, the police department maintains law and order. Departments also vary with respect to the geographical distribution of their work. In case of some departments, their entire work is concentrated at the headquarters so that there is no field agency under them.

The Department of Finance is an example where all work is concentrated at headquarters. In case of others, the work is geographically dispersed and done through subordinate field agencies. For example, the Post and Telegraph department, Police department , etc. largely do their work through the subordinate agencies spread all throughout the country.

In India, the organizational set up of the government consists of ministries having departments and offices under them which carry out the business of the government. Some of these important ministries are - Ministry of Agriculture, Ministry of Home Affairs, Ministry of Defence, Ministry of External Affairs, Ministry of Human Resource Development, Ministry of Social Justice and Empowerment and so on.



12.6 FURTHER READING

1) Basu, Rumki (2004). Public Administration-Concepts and Theories. New Delhi: Sterling Publishers Private Limited.
2) Bhagwan, Vishnoo and Bhushan, Vidya (2007). Public Administration. New Delhi: S. Chand & Company Ltd.
3) Naidu, S.P. (2005), Public Administarion-Concepts and Theories. New Delhi: New Age International (P) Ltd.
4) Sharma, Dr. M. P. & Sadana, Dr.B.L. (2000). Public Administration in Theory and Practice. Allahabad: Kitab Mahal.



12.7 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Geographical

Ans to Q No 2: True

Ans to Q No 3: Four advantages of the Bureau system of organization are-

1 Prompt decisions can be taken under the control of a single head without going into debates and much controversy.

2 It is most suitable for those activities that require discipline and unity of purpose.

3 The single headship often leads to efficient, quick and effective administration.

4. Bureau system is most suited .to the organizations where systems have been established, procedures have been laid down and standards are well established.

Ans to Q. No. 4: Four attached offices to the Ministry of Home affairs are-

1 Central Intelligence Bureau

2 Central Bureau of Investigation

3 National Academy of Administration

4 Secretariat Training School

Ans to Q. No. 5: True

Ans to Q. No. 6: The Ministry of Home affairs is one of the most important and powerful ministries in India. It has a unique place of its own. The Ministry is responsible for the internal peace and security of the country and thereby protecting the life, liberty and property of the people. It administers and controls the Indian Police Service and maintains paramilitary forces. The Home Ministry has a role to play in maintaining good centre-state and inter-state relations. Besides this, the Ministry keeps constant control on the communal situation of the country and deploys central forces to maintain order and security. A number of subjects are under the jurisdiction of the Ministry of Home Affairs some which include formation of the new states and alteration of names and boundaries of existing states, appointment, resignation and removal of senior officers and judges of the Supreme Court and High Courts, matters relating to the Emergency provisions of the constitution, preventive detention for reasons connected to defence, citizenship and naturalization, etc.



12.8 MODEL QUESTIONS

A) Very Short Questions

Q 1 : Mention any two bases of departmentalization .

Q 2 : Write the meaning of the Bureau type head.

B) Short Questions (Answer each question in about 150 words)

Q 1 : Discuss the need of Department in administration.

Q 2 : Explain the two types of heads of department.

Q 3 : Write a short note of the Ministry of Finance.

Q 4 : Mention any two advantages and two disadvantages of the Clientele Principle.

C) Long Questions (Answer each question in about 300-500 words)

Q 1 : Write the meaning of a department. Explain the need of Department in administration.

Q 2 : Explain the criteria to be adopted for making departmentalization of an organization?

Q 3 : Discuss the different types of heads of department.

Q 4 : Discuss briefly the functioning of the Ministry of Home affairs in the governmental process of India.

UNIT 13 : LINE AGENCY– GOVERNMENT CORPORATION

UNIT STRUCTURE

13.1 Learning Objectives

13.2 Introduction

13.3 Government Corporation

- 13.3.1 Meaning of Government Corporation
- 13.3.2 Basic Features of Government Corporation
- 13.3.3 Growth and Development of Government Corporation
- 13.3.4 Need for Government Corporation
- 13.3.5. Types of Government Corporation
- 13.3.6 Advantages of Government Corporation
- 13.3.7 Disadvantages of Government Corporation

13.4 Differences between Government Corporation and Government Department.

13.5 Problems of Control over Government Corporation

- 13.5.1 Control over Government Corporation in the United States of America
- 13.5.2 Control over Government Corporation in Britain
- 13.5.2 Control over Government Corporation in India

13.6 Government Corporation in India

13.7 Let Us Sum Up

13.8 Further Reading

13.9 Answers to Check Your Progress

13.10 Model Questions

13.1 LEARNING OBJECTIVES

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

- discuss the meaning and basic features of Government Corporation
- explain the emergence of Government Corporation in the realm of public administration.

- describe the need for and types of Government Corporation
- explain the advantages and disadvantages of Government Corporation
- explain the differences between Government Corporation and Government Department
- discuss the problems of control over Government Corporation
- describe the functioning of Government Corporation in India

13.2 INTRODUCTION

In this unit we have attempted to describe one of the important Line Agencies, the Government Corporation. Government Corporations go a long way in the smooth delivery of governmental responsibility. Though Government Corporations do exist in developed countries also, the need for their existence is felt more in the case of newly independent nation states of Asia, Latin America and Africa where such corporations are required to play an active role. In these countries, the state is responsible for bringing about an overall development of its people. These states very urgently feel the need of massive economic development with equitable distribution of resources among all sections of its people. In this context, the government has to take a leading role. As a result, Government Corporations came into existence in different parts of the world.

13.3 GOVERNMENT CORPORATION

13.3.1 Meaning of Government Corporation

A Government Corporation is a corporate body created by a special Act of the legislature that defines its power, duties, privileges and pattern of management. Through these corporations, government manages its commercial and economic activities. Government Corporations bear some kind of financial and administrative autonomy. These are organized to achieve a public purpose. Government Corporations have accountability along with autonomous functioning and there is an inherent right to manage and control the enterprise by the government. The following definitions will make it easy to comprehend the concept of Government Corporations.

➢ According to Herbert Morrison a Government Corporation is “a

combination of public ownership, public accountability and business management for public ends."

- Earnest Davis says "The public corporation is a corporate body created by public authority with defined powers and functions and financially independent".
- According to a U.N publication, a public or government corporation means "economic undertaking especially industrial, agricultural and commercial concerns, which are owned and controlled by the state."
- Friedman defines public or government enterprise as "an institution operating a service of an economic or social character on behalf of the government, but as an independent legal entity, largely autonomous in its management, public accountability and subject to some directives by the government, equipped on the other hand with independent and separate funds of its own and the legal and commercial authorities of a commercial enterprise".



LET US KNOW

- The first Government Corporation of the USA is the Panama Railroad Company established in 1904.
- The first Government Corporation of Britain is the Port of Britain Authority, established in 1908.
- Started in 1948, the Damodar Valley Corporation is the first Government Corporation in post independent India.

13.3.2 Basic Features of Government Corporation

There are some features that characterize a Government Corporation which may be given as follows-

- Government Corporation is a separate legal entity that can enter into contracts, acquire and hold property, sue and can be sued in its own name.
- It is created by an Act of the legislature which defines its powers, privileges, duties, relationship to the Government Department etc.

- Financially a Government Corporation is self supporting. It gets an initial support from the government, but subsequently it earns revenue and becomes self reliant.
- The Chairmen and Managing Directors of the Government Corporations are appointed by the government. The members of the Board of Directors are appointed by the government.
- It is not subject to the budgetary, accounting and audit regulations which apply to departmental undertaking.
- Government Corporations are constituted keeping in mind some specific purposes. It cannot do any thing else other than the specific purpose.
- Though Government Corporation is autonomous in different aspects, it has some responsibility and accountability to the government. It has to work according to the policy guidelines given by the government. It has also to submit its annual report and other documents to the government. But government does not interfere in the day to day affairs of the corporation.
- Unlike the private enterprises, a Government Corporation is not run on profit motive. The chief motive of the Corporation is to render services to the public.

13.3.3 Growth and Development of Governmen Corporation

Government Corporation has emerged as a very recent concept, especially since 1930s, it has been working as an indispensable part in the administrative process of the states. Its growth is a result of the initiative of the state taken in the field of business and commercial enterprises. Government Corporations have emerged so as to ensure the common people the supply of some essential goods and services at a reasonable rate.

Government Corporation is a sort of compromise between laissez faire and strict bureaucratic control in Public Administration. It is usually employed in the revenue producing enterprises that have some kind of public importance. Government Corporation has become a more preferable choice of the state to implement its welfare policies. Almost in all thee countries governments are supposed to deliver some basic services to the people. That is why Government

Corporations have become the part and parcel of the administrative set up of the states.

Government Corporations in the United States of America have largely been the creation of emergency created by war and depression. But in case of India as well as in Britain, most of the Government Corporations were set up on permanent footing from the very start to take charge of particular enterprise or to provide for credit.

13.3.4 Need for Government Corporation

There are some urgent needs for which Government Corporations are created. The main rationale behind the establishment of these corporations can be mentioned in the following way-

- It helps in the extension or facilitation of credit. For example, in India, the Rehabilitation Finance Corporation tries to provide loan to the refugees at an easy rate of interest so that they can start a business and manage their livelihood.
- It helps in the management and operation of some industrial, commercial or other business undertaking.
- It promotes the undertaking of a multi-purpose development project of a particular region. The Damodar Valley Corporation was entrusted with the task of the multi sided development of the Damodar Valley.

13.3.5 Types of Government Corporation

Government Corporations are of different kinds. From the point of view of their ownership and control, L.D. White gives three categories of Government Corporations. *Firstly*, there are some corporations in which the whole or the major portion of the stock or capital is provided by the Government and in which all the majority members of the board of directors consist of government nominees. *Secondly*, there is the mixed corporation, in which the government has either some investment, or some nominees on its board of directors, or both. In this, the government does not bear majority interest or representation. *Thirdly*, there are private corporations established under law, in which the government has neither investment, nor representation on the board of directors but over which it may have some powers of

supervision and control under the corporation law. Of these three categories the first one is the pure Government Corporation.

Besides this, from the point of view of their organization, Government Corporations are of several types. Sometimes there exists a Board of Directors that control the corporation. But in many cases the sole authority is vested on a single individual. For example, the Inland Waterways Corporation of the USA, in which the Secretary of War has all the powers. Again, some of the Government Corporation works through one executive officer while others deliver their functions through the entire board of directors.

13.3.6 Advantages of Government Corporation

There are some inherent advantages of a Government Corporation. The major advantages of a Government Corporation are-

- With its administrative and financial autonomy, a Government Corporation can take long term policy decisions independent of the government.
- Government Corporations deliver their duty continuously and with a freedom of action. It is not affected by political changes to the extent to which a departmental undertaking is affected. It can continue its policy decisions.
- It can employ trained and expert managers that can help to improve the efficiency of operation.
- Since a Government Corporation is created by law, the law can sufficiently help to meet the specific needs of a situation.
- The creation of Government Corporation for the revenue producing services would relieve these services from the operations of administrative orders which prescribe in great details the procedure with regard to purchase, accounting, and contracting etc. The Corporation builds up its own administrative system which suits its own need.
- It helps to reduce the burden of the legislature in considering the details of organization. Government Corporations have their own Board of Directors that controls the corporation. Each corporation has its own budget prepared by the directing administrative staff of the corporation and submits it to the Board of Directors. The latter will submit the budget to the legislature through the Minister of Finance.

13.3.7 Disadvantages of Government Corporation

Despite above mentioned advantages of the Government Corporation, there are some crucial problems attached with the same. Some of the disadvantages are:

- The corporation finds it difficult to effect changes in its constitution as it is only the Parliament or State Legislature which is competent to bring about change.
- In the absence of profit motive and competition, there is a lack of motivation to work hard and improve efficiency. The corporation may charge high from the consumers to cover up its efficiency.
- The autonomy and flexibility assigned to the Government Corporation are in real sense not found in practice. Many a time, the government, its ministers or other officials interfere in the matter of the corporation.
- The members of the Board of Directors are drawn from the civil servants and some politicians who may not necessarily have the technical knowledge and skill required for efficient management.



CHECK YOUR PROGRESS

Q 1: What are the different kinds of Government Corporation?

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Q 2: A Government Corporation is a legal entity. (True/False)

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Q 3: Write down the name of the first Government Corporation of Britain.

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Q 4: What are the major benefits of the Government Corporation?

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13.4 DIFFRENCES BETWEEN GOVERNMENT CORPORATION AND GOVERNMENT DEPARTMENT

The departmental organization is the oldest form of public sector undertakings. A departmental undertaking is organized, financed and managed in the same way as any other department of the government. In India Post and Telegraphs, Railways, Defence factories are some of the examples of departmental organization.

Both the department and the corporation are the line agencies of the government. In their internal organization, Government Corporations do not differ much from the Government Departments. Even within the Government Corporations, just like the Departments, there are the hierarchically organized divisions of work into departments, bureau, divisions and sections. The following points will illustrate the differences between the two-

- In general practice, Government Departments are employed in state regulatory activities, and Government Corporations are specially made for the dealings in public business.
- Government Corporations are created by the Act of the legislature, while the Departments can be created by an order of the Chief Executive of India.
- While the departments are basically money expending services, the corporations are both money producing as well as money expending services.
- Departments are headed by Ministers while a Corporation is headed by a Board of Directors.
- The accountability of the Corporations to the legislature is limited and not complete as like a Department. A minister heading a Department is bound to reply to most internal questions on the functioning of his Department. But this cannot be done in case of a Corporation where the minister in charge has limited powers and he is answerable to the legislature only in respect to those powers. He can decline to reply to any question pertaining to the internal management of the Corporation.
- Legal status of a Government Corporation is different from that of a Department. Corporations do not enjoy immunity from action in torts etc. which a department as a participant in the sovereign power of the state enjoys. Government Corporations can be sued for damages just like ordinary business concerns.

- Departments have strict financial control over them, while the Corporations have sufficient financial autonomy.

- Government Departments experience direct political control through the Ministers, while there is no political control and much less political interference in Government Corporation. Corporation has both administrative and financial autonomy.

- In a Government Department both policies and day to day administration is the responsibility of the Minister, while in case of a Corporation the general policies are made by the government and the day to day affairs are taken care of by the Board of Directors.

- The financial status, methods and procedures of the Government Corporation differ from those of the Departments. Besides the initial grant advanced by the legislature, the Corporation can raise its own capital funds, earn income, keep savings, frame its own budget etc. But a Government Department cannot function till the annual grants are made available to it.

- There is a flexibility of procedure and policy in the working of Corporation whereas the working of a Department is characterized by redtapism, routine, formalism and rigidity.

Thus, Government Corporations differ from the Departments mainly on the grounds of their external relationship with the government and legislature and in their procedure which is modelled on that of private business industry.

13.5 PROBLEMS OF CONTROL OVER GOVERNMENT CORPORATION

Government Corporations have become an important device for the administration of public undertakings. They represent the combination of public ownership and control with managerial freedom and initiatives of the private business. Very often it becomes an urgent problem as to what extent the government and legislature should have control over the corporations. Different countries have their own control mechanisms. Here we will concentrate on the cases of United States of America, Britain and of course our own country, India.

13.5.1 Control over Government Corporation in the United States of America

The Bank of North America chartered by the Continental Congress in 1781 and the First United States Bank chartered by the Congress in 1791 were the earliest corporations in which the United States Government held an interest. Twelve Federal Land Banks were set up by 1916 in order to mobilize credit. The economic depression of 1930s again stimulated the growth of public corporation in the USA. The Federal Land Banks, Federal Home Loan Banks, the Export-Import Bank, the Tennessee Valley Authority are some of the Government Corporations existing in the USA.

Because of the existence of a large number of Government Corporations in the USA, it is quite impossible to follow a uniform pattern of control. The Government Corporation Control Act of 1945 provides the guideline for budgetary and financial control by the President and the Congress over the corporations, the audit of their accounts by the Comptroller General, and a standard method for the establishment of the corporations. Regarding the budgetary and financial control, the Act provides that the corporations completely owned by the government shall submit their annual budgets to the Congress through the Bureau of Budget and the President. Through this measure the Congress gets an opportunity to discuss the expenditure of the Corporations. The same Act again provides that all the Government Corporations shall be subject to the inspection of their accounts by the Comptroller General. The Act also says that new Corporation shall be created only by a specific authorization by the Congress and not by executive action or under state law.

Besides this, control over the personnel policy of the Corporations was created through the Ramspeck Act of 1940 that has authorized the President to place the employees of all Government Corporations, except the Tennessee Valley Corporation in the competitive classified services.

Many Government Corporations in the USA have been integrated with the Departments. This integration has made the autonomy of the corporations subject to departmental policy and direction.

Still the Government Corporations in the USA enjoy certain special privileges like freedom from annual appropriations, the commercial audit, flexibility of budgets and policies.

13.5.2 Control over Government Corporation in Britain

In Britain, a large number of Government Corporations have been working since long ago. Among them the British Broadcasting Corporation, British Overseas Airways Corporation, British Transport Commission, and British Electricity Authority are important names.

The ministerial control over the Government Corporations in Britain can be mentioned in the following way-

- The Minister appoints the members of the boards of the corporations, determines their salaries and the condition of service and can also terminate their appointment.
- The ministers can issue general policy directions to the corporations.
- Capital investment and borrowing by the corporation need approval from the ministers.
- In case of the Corporations' programme for research and development, pension and training schemes for the staff needs ministerial approval.
- The minister exerts considerable power in relation to the consumer councils associated with some of the corporations.

13.5.3 Control over Government Corporation in India

Public control over Government Corporations in India is exercised through three agencies- the *Ministers*, *Parliament* and *Special agencies*.

(a) *Ministerial control*: By and large ministerial control is exercised in the fields of administration and finance in the following way-

- The government appoints the chairman and other members of the board of management and the managing directors. In case of the Reserve Bank of India, the Damodar Valley Corporation etc. the Central government appoints all the members of the Corporation, its governing body, executive committee, including the chairman, managing director, or chief executive. In most cases the advisory body and executives are nominated by the government. The Government is also empowered to remove the same officials on grounds specified in various Acts.

- The Government has the power to give directions or instructions to the Corporations on matters of general policy. The Government is authorized to frame rules and regulations to facilitate the workings of the Government Corporation.
- The government is also empowered to institute enquiries into the working of the corporation.
- Capital investment and borrowing by the Corporations require approval from the Government.
- Government also controls the fixation of prices of goods produced by the Corporation as well as the quantum and rate of payment for services rendered.
- The Government is empowered to obtain the necessary information from the Corporations which are required to submit to the government periodical statements, accounts, returns, annual financial estimates, programme and annual reports on their activities and working.

(b) *Parliamentary Control:* The parliamentary control over the Government Corporations can be seen from the following points-

- Parliament exerts its control on the Government Corporation through the very enactment of the Corporation Act. Every Government Corporation is the result of a certain Act of the Parliament.
- Each of the Corporations has been attached to some appropriate Central Ministry through which the government controls and supervises its activity. For example, the Reserve Bank of India, the Industrial Finance Corporation and the Rehabilitation Corporation are under the Finance Ministry. The minister within whose portfolio a Corporation is included is answerable to the Parliament for its satisfactory workings.
- The Estimate Committee and the Public Accounts Committee of the Lok Sabha can go into the estimates and accounts of the Corporations and can make appropriate reports and recommendations on them to the Government and Parliament.
- Parliamentary control over Government Corporations is exercised primarily through questions, adjournment motion, debates, and parliamentary committee.

➢ The Committee on Public Undertakings examines the reports and accounts of the Corporations, specified in rules and procedures and reports of the Controller and auditor General of India thereon.

(c) *Control through Specialized Agencies:* The Government Corporations like the Damodar Valley Corporation's responsibility of audit has been entrusted entirely to the Comptroller and Auditor General of India. In case of other Corporations like the Reserve bank of India, LIC, audit is done exclusively by the private firms of Chartered Accountants.

13.6 GOVERNMENT CORPORATION IN INDIA

In India, Government Corporations cannot be constituted by any executive action, nor has the state government the power to incorporate corporations at the state level. These can only be established under the enabling Act of the Parliament.

There are some specific features of the Government Corporations of India-

- From the point of view of *organization*, there are two types of Government Corporations in India. In the *first* category, the general body is distinct from and more numerous than the governing body or the Board of Directors. In the *second* category the Board of Directors itself constitutes the corporation and there is no general body distinct from it.

- The management of the affairs of each corporation is vested in a board or committee styled variously as the Board of Directors, Standing Committee, Administration or Corporation. In each Government Corporation there is a chief executive called Governor, Managing Directors, Chairman, Chief Administrator etc.

- In many cases the administration of the affairs of the corporation is decentralized by the establishment of local branch offices as in the case of State Bank of India.

- In most cases one or more advisory committees are attached with the corporations, nominated either by the government or by the corporation itself.

Starting with the Reserve bank of India, a number of Government Corporations have been set up like the Damodar Valley Corporation, Industrial Finance

Corporation, Life Insurance Corporation, and a number of more than two dozens of Government Corporations. Various criticisms have been directed against the efficiency of these corporations. That is why many Government Corporations in India are transferring themselves to the Public Limited Company. Recently Government Corporations like Air India, Indian Air lines, Industrial Finance Corporation of India, Oil and Natural Gas Commission have been converted into public limited company.



CHECK YOUR PROGRESS

Q 5: Name at least three Government Corporations in India.

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Q 6: Write down the name of two earliest Government corporations operating in the USA.

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Q 7: What are the ways of Parliamentary control over Government Corporation in Indian (Within 50 words).

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Q 8: A Government Corporation is the result of an Act of the legislature (True/False)

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ACTIVITY 13.1

Find out at least one public corporation in your own state. Critically think whether its functioning is satisfactory.

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13.7 LET US SUM UP

- A Government Corporation is a corporate body created by a special Act of the legislature that defines its power, duties, privileges and pattern of management. Through these corporations, government manages its commercial and economic activities. Government Corporations bear some kind of financial and administrative autonomy.

- There are some features that characterize a Government Corporation such as -Government Corporation is a separate legal entity that can enter into contracts, acquire and hold property, sue and can be sued in its own name; It is created by an Act of the legislature which defines its powers, privileges, duties, relationship to the Government Department etc; financially a Government Corporation is self supporting. It gets an initial support from the government, but subsequently it earns revenue and becomes self reliant; the Chairmen and Managing Directors of the Government Corporations are appointed by the government. The members of the Board of Directors are appointed by the government, etc.

- Government Corporation has emerged as a very recent concept, especially since 1930s, it has been working as an indispensable part in the administrative process of the states. Its growth is a result

of the initiative of the state taken in the field of business and commercial enterprises.

- Government Corporations have emerged so as to ensure the common people the supply of some essential goods and services at a reasonable rate.
- Government Corporation is a sort of compromise between laissez faire and strict bureaucratic control in Public Administration.
- Corporations have become the part and parcel of the administrative set up of the states.
- Government Corporations in the United States of America have largely been the creation of emergency created by war and depression.
- But in case of India as well as in Britain, most of the Government Corporations were set up on permanent footing from the very start to take charge of particular enterprise or to provide for credit.
- There are some urgent needs for which Government Corporations are created.
- Government Corporations are of different kinds. From the point of view of their ownership and control, L.D. White gives three categories of Government Corporations.
- There are some inherent advantages of a Government Corporation. At the same time there are also some disadvantages of a Government Corporation. are:
- There are certain differences between government corporation and government department
- Very often it becomes an urgent problem as to what extent the government and legislature should have control over the corporations. Different countries have their own control mechanisms.
- In India, Government Corporations cannot be constituted by any executive action, nor has the state government the power to incorporate corporations at the state level. These can only be established under the enabling Act of the Parliament.

- There are some specific features of the Government Corporations of India



13.8 FURTHER READING

1) Basu, Rumki (2004). Public Administration-Concepts and Theories. New Delhi: Sterling Publishers Private Limited.
2) Bhagwan, Vishnoo and Bhushan, Vidya (2007). Public Administration. New Delhi: S. Chand & Company Ltd.
3) Naidu, S.P. (2005), Public Administarion-Concepts and Theories. New Delhi: New Age International (P) Ltd.
4) Sharma, Dr. M. P. & Sadana, Dr.B.L. (2000). Public Administration in Theory and Practice. Allahabad: Kitab Mahal.



13.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q. No. 1 : There are three kinds of Government Corporations. These are-

1 There are some corporations in which the whole or the major portion of the capital is provided by the Government and in which all the majority members of the board of directors consists of government nominees.

2 There is the mixed corporation, in which the government has either some investment, or some nominees on its board of directors, or both. Here government does not have majority representation.

3 There are private corporations established under law, in which the government has neither investment, nor representation on the board of directors but it has some powers of supervision and control over the corporation under the corporation law.

Ans to Q No 2 : True

Ans to Q No 3 : Port of Britain Authority.

Ans to Q No 4 : The Government Corporations have been working successfully in various countries all over the world. These are beneficial in the sense that they can adopt long term policy decisions

independent of the government. These are much independent of the executives in the sense that their constitution and powers are determined by the special laws made for the purpose. It is not affected by political changes to the extent to which a departmental undertaking is affected. They have their own Board of Directors that controls the corporation. Each corporation has its own budget prepared by the directing administrative staff of the corporation that submits the same to the Board of Directors. The latter will submit the budget to the legislature through the Minister of Finance. With the help of its trained and expert managers it can work successfully for the purpose for which it is created.

Ans to Q No 5 : The State Bank of India, Industrial Finance Corporation of India, Oil and Natural Gas Commission.

Ans to Q No 6 : The Bank of North America originated in the year 1781 and the First United States Bank of 1791.

Ans to Q No 7 : The parliamentary control over the Government Corporations in India can be summarized in the following way-

1 Government Corporation is constituted under certain Act of the Parliament.

2 Each of the Corporations has been attached to some appropriate Central Ministry through which the government controls and supervises its activity. The minister within whose portfolio a Corporation is included is answerable to the Parliament for its satisfactory workings.

3 The Estimate Committee and the Public Accounts Committee of the Lok Sabha can go into the estimates and accounts of the Corporations and can make appropriate reports and recommendations on them to the Government and Parliament.

4 Parliamentary control over Government Corporations is exercised primarily through questions, adjournment motion, debates, and parliamentary committee.

5 The Committee on Public Undertakings examines the reports and accounts of the Government Corporations.

Ans to Q No 8 : True



13.10 MODEL QUESTIONS

Very Short Questions

Q 1 : State any two features of government corporation.

Q 2 : Mention any two advantages of government corporation.

Short Questions (Answer each question in about 150 words)

Q 1 : Discuss the major characteristics of a Government Corporation.

Q 2 : Write a short note on the growth and development of Government Corporation

Q 3 : Examine the need of Government Corporation.

Q 4 : Write a short note on Government Corporation in India.

Long Questions (Answer each question in about 300-500 words)

Q 1 : Briefly discuss the major advantages and disadvantages of a Government Corporation.

Q 2 : What are the major differences between a Government Corporation and a Government Department? Discuss.

Q 3 : Explain the meaning of Government Corporation. Discuss the various types of Government Corporation.

Q 4 : Discuss the issue of control over Government Corporations.

UNIT 14 : LINE AGENCY– INDEPENDENT REGULATORY COMMISSIONS

UNIT STRUCTURE

14.1 Learning Objectives

14.2 Introduction

14.3 Independent Regulatory Commissions

- 14.3.1 Basic Features of Regulatory Commissions
- 14.3.2 Regulatory Commissions in the United States of America
- 14.3.3. Functions of Regulatory Commissions
- 14.3.4 Advantages of Regulatory Commissions
- 14.3.5 Criticisms against Regulatory Commissions

14.4 Independence of Regulatory Commissions

14.5 Let Us Sum Up

14.6 Further Reading

14.7 Answers to Check Your Progress

14.8 Model Questions

14.1 LEARNING OBJECTIVES

After going through the unit, you will be able to-

- describe the growth of Regulatory Commissions in the context of the U.S.A.
- discuss the characteristic features of the Regulatory Commissions
- elaborate the advantages of Regulatory Commissions
- evaluate the role of Regulatory Commissions in the administrative system of the U.S.A.

14.2 INTRODUCTION

This unit will introduce you to one of the line Commissions specially existing in the United States of America- the Independent Regulatory Commissions. The Regulatory Commission is a peculiar American variety of administrative unit evolved out of the special constitutional set up of the United States of America. It is largely concerned with the regulation and control of the private property and private economic activities for the purpose of safeguarding the social interest. The need for such commissions became necessary with the growing industrialization of that country during the 19th century. At present, there are several Independent Regulatory Commissions, working in the USA.

The Regulatory Commissions, especially prevalent in the USA, are autonomous in the sense that these are neither responsible to the President nor do they report to the President. But Regulatory Commissions are not independent of the Congress which has established these Commissions and has defined their constitution and functions. In the same way the judiciary has the power to examine the legality of their proceedings and can declare them as void.

14.3 INDEPENDENT REGULATORY COMMISSIONS

The commissions or boards or Commissions which function independently of the executive and have the power to formulate their own policies and control their finances are known as Regulatory Commissions, very often termed as Independent Regulatory Commissions. They are called 'Regulatory' chiefly because they are established in order to regulate certain activities of the citizens or groups of people. Regulatory Commissions constitute an administrative set up peculiar to the USA.



LET US KNOW

Inter-State Commerce Commission is the first Regulatory Commission, set up by the Federal Government in 1887

14.3.1 Basic Features of Regulatory Commissions

Regulatory Commissions have some peculiar features which can be discussed in the following manner-

➢ *Independent of the Chief Executive:* The first important feature of the Regulatory Commission is that it is almost independent of the Chief Executive and has the power to formulate its policies and control its own finances. The members of the Commissions remain in office longer than the President and also all members do not retire at a time. So the President has little chance to control the membership of the Commissions, even though the members are appointed by the President with the consent of the Senate. The President cannot remove the members like other civil servants. He can remove them only on the causes specified in the Statute itself. Again the decisions of the Commissions or the Commissions are final and are not subject to review or veto by the President. That is why they have been described as 'headless' as they are not under the head of the Federal Government or any other executive authority.

➢ *Direct Control of the Legislature*: The Regulatory Commissions are independent of the executive, but it is not independent of the Congress which has created it. It is the Congress that supplies the Commission with funds from year to year. The Congress can also terminate it, modify its policies, and can increase or decrease its financial resources at will. However, the control of the Congress is only general in nature. It cannot control the details of the policies and actions of the Regulatory Commissions.

➢ *Mixed Functions:* The functions of the Regulatory Commissions are of mixed nature – administrative, quasi-legislative, and quasi-judicial. For example, the Inter-State Commerce Commission of the USA is charged with national transportation system; this involves policy determination through rules and regulations which is a quasi-legislative work. The Commission is to enforce these rules and regulations which is an administrative work. Finally, it has also to decide if these rules and regulations have been complied with or not. It is a quasi-judicial work. Thus, the work of the Commission involves a mixture of legislation, administration and

adjudication. It is because of the mixed nature of their function that that have been called "the fourth branch of he government", for they do not fit into any of the three traditional branches of government, i.e. executive, legislature and judiciary.

- *Management by Experts:* The Regulatory Commissions are constituted to perform and regulate such works which are of technical in nature and cannot be given to the Government Departments. Thus the activities of the commissions are placed in the hands of the Boards of Experts free from political pressure.

- *Financial Independence:* Efforts have been made to make the Regulatory Commissions financially independent. It holds funds in its own name which are annually granted by the Congress. It enjoys complete autonomy in the management of their funds and is not responsible to the chief executive in the handling of the funds.

- *Collegial Type of Organization*: These Commissions are organized on the pattern of board or commission. They are collegial, consisting of a group of people discussing or arriving at decisions by majority vote.

14.3.2 Regulatory Commissions in the United States of America

As mentioned earlier, Regulatory Commissions are a peculiar development in the administration of the United States of America. These are set up with the idea that they should be insulated from regular Presidential leadership. The Inter-State Commerce Commission, the first Regulatory Commission, was set up in 1887 to regulate such means of transportation as railroads and shipping lines engaged in interstate commerce. Eleven such other Commissions were subsequently created. Some of the Regulatory Commissions are as follows:

- The Inter State Commerce Commission 1887
- The Board of Governors of the Federal Reserve System 1913
- The Federal Trade Commission 1914

- The Federal Energy Regulatory Commission 1930
- The Federal Communication Commission 1934
- The Securities and Exchange Commission 1934
- The National Labour Relations Board 1935
- The Federal Maritime Commission 1936
- The Civil Aeronautics Board 1938 and 1940

The Regulatory Commissions is set up under a Statute passed by the Congress. The members of the Commission/ Commissions are appointed by the President with the consent of the Senate for a term varying from 5-14 years. Most of these Commissions have five members each. Except in the case of National Labour Relation Board and Board of Governors of the Federal Reserve System, membership has to be bipartisan, i.e. must be from both the political parties. The Chairmen of these Commissions are appointed by the President, but the Federal Trade Commission, the Federal Energy Regulatory Commission and Inter –State Commerce Commission select their own chairmen from among their members.



LET US KNOW

REGULATORY COMMISSIONS IN BRITAIN AND INDIA

Some of the important Regulatory Commissions operating in the British administration are the General Medical Council, the Law Society, the Independent School Tribunal under the Education Act of 1944. In India also we have various Commissions and Boards, but these are not organized in the lines of Independent Regulatory Commissions of the U.S.A. Under the Presidential form of Government the Regulatory Commissions in the U.S.A act outside the control of the executive. In fact, the very emergence of these commissions in the U.S.A is the result of deep distrust of the Congress in the powers of the President. But in case of the Parliamentary system of government like Britain and India, regulatory Commissions work with accountability to the executive. Of late, some commissions have been set up in India also, like the Monopolies and Restrictive Trade Practices Commission (MRTPC), Urban Art Commissions, Securities Exchange Board of India (SEBI), Telecom Regulatory Authority of India (TRAI).

14.3.3 Functions of Regulatory Commissions

The Regulatory Commissions perform administrative, quasi-legislative and quasi-judicial functions. These Commissions regulate the economic activities by three different procedures-

- By rule making, which means by elaborating and defining the general norms as laid down in the parent acts.
- By administrative methods, such as licensing, inspection, publicity etc.
- By case–by-case decision method, which is used on complaints against the violation of the law or norms laid down.

According to Pfiffner the functions of the Commissions are three-

- To inform the industry and other regulated groups about the objectives of public policy in so far as regulation is concerned.
- To discover and promulgate the rules and regulation which will ensure that this policy is achieved.
- To enforce such regulations either by adjudicating controversies arising between the public and the interest regulated or by prosecuting acts which violate the established policy.

The following paragraphs will give you a brief idea about the functioning of different Regulatory Commissions in the U.S.A.

- ***The Inter-State Commerce Commission:*** The major function of this Commission is to develop, coordinate and preserve a transport system by rail, water, road and other means. It has to promote safe and adequate services for the people. It has to fix the reasonable charge for transport as well as to prevent unfair competition among different Commissions.

- ***The Board of the Governors of the Federal Reserve System:*** This Board determines the general monetary conditions, credit and operating policies and makes necessary rules and regulations for the purpose. It has to control the credit condition and to supervise the member banks.

- ***The Federal Trade Commission:*** Its duty is to prevent unfair methods of competition in trade. It safeguards the entire economic system so as to maintain conditions of free competitive enterprise.

- ***The Federal Energy Regulatory Commission:*** The function of this Commission includes licensing of hydro-electric projects, transmission and sale of electric energy and natural gas.

- ***The Federal Communication Commission:*** It regulates interstate and foreign wireless, radio and television communication.

- ***The Securities and Exchange Commission:*** It is entrusted with the function of protecting the interest of the public and the investors against the malpractices in the securities and financial market.

- ***The National Labour Relations Board:*** It investigates the unfair labour practices by the labour union and victimization of the employees by the employers.

- ***The Federal Maritime Commission:*** It encourages the maintenance of a merchant marine for the purpose of national defence and commerce.

- ***The Civil Aeronautics Board:*** It has the function to foster and encourage the development of air transport system adequate to the domestic and foreign need of the country.

It may be mentioned here that the jurisdiction of all the Regulatory Commissions in the USA extends to the entire territory of the country.



LET US KNOW

The major functions of the Regulatory Commissions are-

- They set up standard, rules and regulations to govern the behavior of a particular industry.
- They enforce these standards, rules and regulations
- They prosecute the defaulters.

14.3.4 Advantages of Regulatory Commissions

Regulation of private business enterprises is a challenging task especially when there are big enterprises with high purchasing power. Under such conditions, it is difficult for any organization to maintain complete impartiality to all the parties concerned. There are the dangers of corruption, nepotism and unfairness. There are two main advantages of the Regulatory Commissions for which they have been created; *firstly*, in fields where public policy was in experimental and developmental stage it was thought essential to permit the gradual continuous definition of rules of conduct by an expert commission free from political and other external pressure. *Secondly,* these commissions or Commissions were set up so as to separate the quasi-judicial determinative power of the commission from the executive branch. In order to protect the integrity of the quasi-judicial determinations, the Regulatory Commissions were placed outside the influence of the executive branch.

The major points of advantages of the Regulatory Commission are mentioned below:

- It creates a device that makes it possible to exclude the quasi-legislative and quasi-judicial activities from the hands of bureaucracy.
- It keeps the activities of national importance and of a technical nature outside the bane of party politics.
- It brings different shades of opinion and interest together to shoulder a national problem.
- By making it plural headed, it insulates the process of business from partisan political forces.

14.3.5 Criticisms against Regulatory Commissions

The independence of the Regulatory Commissions from the control of the President and the nature of their mixed functions has led to a number of criticisms against them. Some of these criticisms showing the disadvantages of the Independent Regulatory Commissions can be mentioned in the following way-

- It is said that the Regulatory Commissions have created a 'headless fourth branch' in the government of the USA, violating the accepted tripartite separation of power. They lie outside the administrative system headed by the President and may be called an 'island of autonomy' within the U.S administrative system. The Brownlow Committee (1937) declared that "though the commissions enjoy power without responsibility, they also leave the president with responsibility without power".

- The combination of the function of legislation, administration and adjudication may lead to arbitrariness and endanger the rights and liberties of the people. According to Robert.E Cushman this combination of the functions is the most vital and inherent weakness of the Regulatory Commissions.

- It is argued that the Regulatory Commissions are not very effective in either protecting the public interest, or in ensuring the long run progress of the industry. It is because the Commissions act through case by case procedure and they are separated from one another. This view has been expressed by the Hoover Commission of 1949.

- It is said that the administrative independence of these commissions makes the administrative system of the country disintegrated and obstructs effective co-ordination policy. It may also lead to overlapping of functions and conflict of jurisdiction. Critics hold that the President, being the general manager of the national affairs should be the central coordinating authority to which the Regulatory Commissions should be subject.

- Critics argue that these Commissions have created a 'decentralized and chaotic administration'. The Regulatory Commissions can obstruct the effective control of the national policy by non-cooperating with other departments of the federal government. Very often there arise some conflicts of jurisdiction between Regulatory Commissions and other departments.

- Regulatory Commissions have been criticized on the ground of undue laxity and slackness in the performance of their duties and functions. This happens primarily because these Commissions are neither responsible to the President nor accountable to the Congress in any effective manner.

- It is also argued that the Commissions try for self sufficiency in respect of the auxiliary services required and are unwilling to utilize the statistical, legal and similar other services already existing in the department. This means unnecessary duplication of personnel and cost.

Broadly speaking, the Regulatory Commissions are criticized from two fronts- the administrative and the judicial. The administrator condemns them because their existence creates difficulties in integration and coordination. In the same way, the lawyer is opposed to them because their procedure and methods in adjudication do not satisfy the cannons of judicial propriety.

Despite the criticisms levelled against the Independent Regulatory Commissions, it must be mentioned that though the regulatory commissions are not accountable to the President, they are accountable to the people for the delivery of just and impartial decisions.With the massive advancement in industrial and business enterprises, the role of these Commissions is increasing day by day. In this unit, you have read about several aspects regarding Independent Regulatory Commissions.



CHECK YOUR PROGRESS

Q 1: Name at least five Regulatory Commissions existing in the USA.

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Q 2: The first Regulatory Commission in the USA is the Federal Trade Commission. (True/False)

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Q 3: Write down the composition of Regulatory Commission (Within 50 words).

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Q 4: What are the major criticisms against the Regulatory Commissions of the United States (Within 50 words).

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14.4 INDEPENDENCE OF REGULATORY COMMISSIONS

A Regulatory Commission is set up under a Statute passed by the Congress that defines its constitution and functions. But they are not independent of the Congress that have created them, vested them with authority and supplies them fund. Congress may terminate them, modify their powers and expand or curtail their financial resources at will. They are also not independent of the court. Their actions are subject to the judicial review of the courts like-

- In assuring the use of correct procedures in administrative actions.
- In preventing action in excess of powers conferred by the legislature
- Where administrative action depends on a factual record in making sure that that the evidence in the record is sufficient.

Besides this in personnel administration, the Regulatory Commissions are controlled by the Civil Service Commission. Their budgets are subject to review by the Bureau of Budget.

But the Regulatory Commissions are very much independent of the President. This is evident from the following points-

- All the members do not have the same tenure and their term is longer than that of the President. The President cannot control the membership immediately upon his accession to authority.
- The President can remove the members of the Commission only on the ground specified in the law constituting the respective commissions.

- The decisions of the Regulatory Commission are final as far as the chief executive is concerned. Their decisions are not submitted to the White House and their decisions are not subject to review, or to veto or to suspension by the President.
- There have been no established channels of communication between the President and the Regulatory Commission. On the inauguration of a new President, the Independent Regulatory Commissions do not wait for receiving the new policy of the new executive, nor is there any regular or intermittent exchange of official views.

Thus the Regulatory Commissions are very much independent of the executive, even though they owe responsibility to the Congress.



CHECK YOUR PROGRESS

Q 5: Why are the Regulatory Commissions termed as 'independent'?

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Q 6: How is the independence of the Regulatory Commissions controlled?

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Q 7: The Regulatory Commission in the United States owes more responsibility to the Congress than to the President. (True/false)

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ACTIVITY 14.1

Can you find out any Regulatory Commissions in India just like its counterpart in the USA?

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14.5 LET US SUM UP

- The commissions or boards or Commissions which function independently of the executive and have the power to formulate their own policies and control their finances are known as Regulatory Commissions, very often termed as Independent Regulatory Commissions. They are called 'Regulatory' chiefly because they are established in order to regulate certain activities of the citizens or groups of people. Regulatory Commissions constitute an administrative set up peculiar to the USA.

- Regulatory Commissions have some peculiar features such as- Regulatory Commissions are independent of the Chief Executive; they are under the direct control of the legislature; they perform mixed functions; they are managed by experts; they enjoy financial independence; they are collegial type of organization.

- Some of the Regulatory Commissions are the Inter State Commerce Commission 1887, the Board of Governors of the Federal Reserve System 1913, the Federal Trade Commission 1914, the Federal Energy Regulatory Commission 1930, etc.

- The Regulatory Commissions is set up under a Statute passed by the Congress. The members of the Commission/ Commissions are appointed by the President with the consent of the Senate for a term varying from 5-14 years.

- The Regulatory Commissions perform administrative, quasi-legislative and quasi-judicial functions.

- The Independent Regulatory Commissions have both advantages and disadvantages.

- A Regulatory Commission is set up under a Statute passed by the Congress that defines its constitution and functions. But they are

not independent of the Congress that have created them, vested them with authority and supplies them fund. Congress may terminate them, modify their powers and expand or curtail their financial resources at will.

- The Independent Regulatory Commissions are not accountable to the President, but they are accountable to the people for the delivery of just and impartial decisions. With the massive advancement in industrial and business enterprises, the role of these Commissions is increasing day by day. In this unit, you have read about several aspects regarding Independent Regulatory Commissions.



14.6 FURTHER READING

1) Basu, Rumki (2004). Public Administration-Concepts and Theories. New Delhi: Sterling Publishers Private Limited.

2) Bhagwan, Vishnoo and Bhushan, Vidya (2007). Public Administration. New Delhi: S. Chand & Company Ltd.

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14.7 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No1 : There are a number of Regulatory Commissions working in the USA. They are part of the line agencies of America. The following are five Regulatory Commissions operating in the US administrative system:

(i) The Inter State Commerce Commission established in 1887

(ii) The Board of the Governors of the Federal Reserve System of 1913

(iii) The Federal Trade Commission of 1914

(iv) The Federal Energy Regulatory Commission came into existence in 1930

(v) The Federal Communication Commission of 1934

Ans to Q No 2 : False

Ans to Q No 3 : The Regulatory Commissions operating in the United States have the jurisdiction over the whole country. Though these are set up under a Statute passed by the Congress, their constitution is not uniform. The members of the Commission/ Commissions are appointed by the President with the consent of the Senate for a term varying from 5-14 years. Most of these Commissions have five members each. But the Board of the Governors of the Federal Reserve System and the Federal Communication Commission has seven members each; the Inter-State Commerce Commission has eleven members. The members are taken from both the political parties (except National Labour Relation Board and Board of the Governors of the Federal Reserve System). The Chairmen of these Commissions are appointed by the President, but the Federal Trade Commission, the Federal Energy Regulatory Commission and Inter –State Commerce Commission selects their own chairman from among their members.

Ans to Q No 4 : The Regulatory Commissions are criticized mainly from two fronts- the administrative and the judicial. The administrator criticizes these Commissions because their existence creates difficulties in integration and coordination. From the judicial point of view these Commissions are criticized as their procedure and methods in adjudication do not satisfy the cannons of judicial propriety. The Regulatory Commissions have created a 'headless fourth branch' in the government of the USA, violating the accepted tripartite separation of power. The combination of the function of legislation, administration and adjudication may lead to arbitrariness and endanger the rights and liberties of the people. It results in overlapping of functions and conflict of jurisdiction. Besides this, as these Commissions are neither responsible to the President nor accountable to the Congress in any effective manner, so they are not bound to work with utmost sincerity and dedication.

Ans to Q No 5 : The Regulatory Commissions working in the USA maintain some kind of independence from the executive. The following points will make this argument clear-

1 The tenure of the members varies from five to fourteen years. Hence

their term is longer than that of the President. The President cannot control the membership immediately upon his accession to authority.

2 The President can remove the members of the Commission only on the ground specified in the Statute constituting the respective commissions.

3 The decisions of the Regulatory Commission are final as far as the chief executive is concerned. Their decisions are not submitted to the White House and their decisions are not subject to review, or to veto or to suspension by the President.

4 Whenever a new President takes charge of the office, the Independent Regulatory Commissions need not to wait for receiving new policy of the new executive. There is no regular or intermittent exchange of official views.

Though the Regulatory Commissions are independent of the President, they are very much under the control of the Congress. In fact, each Regulatory Commissions is established according to the law passed by the Congress. The Congress may remove the members, modify their powers and expand or curtail their financial resources as and when it feels it necessary. They are also not independent of the court. Their actions are subject to the judicial review of the courts.

Ans to Q No 6 : The Regulatory Commissions which is generally termed as independent is not so in the real sense. There are a number of measures to control the independence of these commissions. For example: As a creation of the Statute of the Congress, the Regulatory Commissions are in the control of the Congress that may terminate them, modify their powers and expand or curtail their financial resources at will. They are also not independent of the court. Their actions are subject to the judicial review of the courts The Regulatory Commissions are controlled by the Civil Service Commission in matters of personnel administration. Their budgets are subject to review by the Bureau of Budget.

Ans to Q No 7 : True.



14.8 MODEL QUESTIONS

A) Very Short Questions

Q 1: Mention any two Independent Regulatory Commissions.

Q 2: Mention any two advantages of the Independent Regulatory Commissions.

Q 3: Which Regulatory Commission regulates interstate and foreign wireless, radio and television communication in the US?

B) Short Questions (Answer each question in about 150 words)

Q 1: Discuss some Functions of Regulatory Commissions.

Q 2: Discuss the major advantages and disadvantages of the Independent Regulatory Commissions.

C) Long Questions (Answer each question in about 300-500 words)

Q 1: Explain the features of the Independent Regulatory Commissions.

Q 2: Write a short note on the independence of Regulatory Commissions.

UNIT 15: CIVIL SERVICE– MEANING AND ROLE; RELATIONSHIP BETWEEN CIVIL SERVANTS AND MINISTERS

UNIT STRUCTURE

15.1 Learning objectives

15.2 Introduction

15.3 The concept of Civil Service

15.3.1 Meaning of Civil Service

15.3.2 Main characteristics of Civil Service

15.4 Functions and Role of Civil Service

15.4.1 Functions of Civil Service

15.4.2 Role of Civil Servants in a Modern State

15.5 Political Executive (Ministers)

15.5.1 Features of Political Executive

15.5.2 Non-Political Executive (Civil Servants)

15.6 Relationship between Minister and Civil Servant

15.5 Let us Sum Up

15.6 Further Reading

15.7 Answers to Check Your Progress

15.8 Model Questions

15.1 LEARNING OBJECTIVES

After reading this unit, you will be able to:

- explain the concept of Civil Service
- describe the main characteristics of Civil Service
- discuss the functions of Civil Service
- explain the role of Civil Service in a modern state
- explain the meaning political executive
- explain the meaning of non- political executive

- describe the relationship between ministers and civil servants
- discuss the importance of a harmonious minister-civil servant relationship

15.2 INTRODUCTION

To run the administration of a state, the need has always been felt for a class of educated, trained and capable professionals. In all countries across the world, and more particularly in the developing countries, the government is increasingly called upon to play an active role in the polity, economy, society. Without such a class of professionals, it would be difficult for the government to carry out the full range of its activities. Accordingly, every country in the world has a machinery called the Civil Service to run its administration which is manned by a class of professionals called the Civil Servants constituting the very backbone of the administrative system.

15.3 THE CONCEPT OF CIVIL SERVICE

15.3.1 Meaning of Civil Service

The activities of the modern state are vast and varied. The state requires a body of persons who are capable enough to serve it and to implement its plans and programmes. The modern scientific age is also characterized by specialization of functions and division of labour. One man cannot perform all the tasks. To deal properly with the complex problems of the modern state, an effective machinery constituting a professional class of trained personnel is called for to perform different jobs of administration. Such a machinery is obtained in the form of the Civil Service and the personnel manning the same are known as Civil Servants.

A Civil Servant is one whose main function is to administer the laws of the land. The Civil Servants are mainly of two classes - lower clerical staff and the higher administrative staff. The higher administrative staff is directly connected with the political head of the department. The lower clerical staff helps the administrative staff and works under its direct supervision and control. The Civil Servants are responsible for successful implementation of the programmes

and policies of the Government. They are to work among the people so that the benefits of Governmental measures reach the people.

Civil Service constitutes an important aspect of modern democratic Government. They can be referred to as the non-political and non-elected functionaries who are responsible for carrying out the administration under the direction and control of the elected representatives of the people. They are also responsible for ensuring the observance of the law of the state.

15.3.2 Main Characteristics of Civil Service

There are some important characteristics of the civil service which can be discussed in the following way -

- One of the most important characteristics of the civil service is that it consists of a professional class of officials. They are skilled, trained and permanent officials of the state. They are salaried professionals.
- Another important characteristic of civil service is that it is organised hierarchically. By hierarchy, it is meant that the civil servants are organised in such a manner that each lower official is responsible to his immediate superior-subordinate relationship. Every higher official has to supervise the officials lower to him in the system of ranking.
- The civil servants should be neutral in performing their responsibilities. They should not show affiliation to any political party. They are to serve under any party which comes to power and carry on the administration according to the laws of the land.
- Civil service is also charactersised by impartiality. The civil servants are the servants of the state and they have to serve it without showing favour or disfavour to any particular group of the society.
- Anonymity is another characteristic of civil service. The civil servants perform the maximum functions of the administration, but for that they are not praised or criticised. For the success or failure of administration, it is the ministers who are praised or criticised. The civil servants remain behind the curtain.
- Another characteristic of the civil service is public accountability. The civil servants are accountable to the

representatives of the people for whatever they do. Their actions are subject to persistent scrutiny and so they always have to behave in a proper manner.

- The functions of the civil servants have been laid down in the laws of the land. That means they have well-defined areas of responsibility. They have to work under limitations which have been imposed on their job by the laws.

- Civil service is also sometimes called bureaucracy. It is also called because bureaucracy refers to a professional class of technically skilled persons, who are organised in a hierarchical way and who serve the state impartially. This definition is applicable to the civil service as well.

- The civil servants are also called permanent executives unlike the ministers who are political executives. The political executive is temporary. The civil servants are appointed on a permanent basis and they continue to function till the end of their career period. The ministers may come and go after every election, but the civil servants remain.



CHECK YOUR PROGRESS

Q 1: Explain the meaning of Civil Service?

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Q 2: Mention any two characteristics of Civil Service.

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LET US KNOW

A well organised civil service organisation was developed in Europe by Nepoleon during the early years of the nineteenth century. There were historical landmarks which revived and revitalized the civil service system in different countries in different ways. For instance, the report of Sir Stafford Northcote and Charles Edward Trevelyan published in 1874 transformed the British Civil Service. It was mainly concerned with the reconciliation of intellectual qualities with loyalty, integrity and discretion.

15.4 FUNCTIONS AND ROLE OF CIVIL SERVICE

15.4.1 Functions of Civil Service

After going through the characteristics or features of civil service, now we should have a look at the functions of civil service.

➢ The civil servants are regarded as the backbone of the administrative system. So, the running of the administration in an efficient and smooth way is the responsibility of the civil servants. They are to execute and implement the laws which are formulated by the legislature for the welfare of the people.

➢ The civil servants not only execute the laws, but also help the political executive in the formulation of laws as well as in the preparation of different programmes and policies of the Government. The political executives, who are the ministers, are amateurs in administrative matters. So, they require the assistance, aid and advice of the civil servants who happen to be the experts in this field. The civil servants collect various data and information, and prepare drafts of proposed programmes. They provide information regarding the funds and other materials required for the programme to the minister concerned.

- The civil servants are involved not only in the formulation of the programmes and policies of the Government, but they should also involve themselves in the operational planning. They are to evolve the techniques for the proper implementation of such programmes which include manpower, technology, budget etc.

- The civil servants also play an important role in the economic policies of the Government. The preparation of the budget is the handiwork of the civil servants though it is presented by the Finance Minister. The policies regarding taxation and the EXIM policy (Export-Import policy) of the Government are prepared under the guidance of the civil servants.

- Now, it has become a practice on the part of the legislature to keep the bills, passed by it, in skeleton form. When a bill is passed by the legislature, only outlines are mentioned. The details of the bill are left to the civil servants to take care of. The civil servants are to do a lot of exercise to complete the provisions of such bills. This practice is known as *delegated legislation*.

- The civil servants are also to perform certain adjudicative functions. Particularly, the administrative heads of the departments are given some judicial and quasi-judicial (partly judicial) powers to maintain discipline and to protect integrity in departments.

- Another important function of the civil servants is termed as Organisation and Method work. This work is done mainly to bring about improvement in methods of work so as to eliminate waste and achieve effective coordination so as to secure the maximum utilisation of the available resources to achieve the desired results.

- The impact of industrialisation and scientific advancement has pased many challenges to the society. Today, in the field of civil service, the use of computer and modern technology has become essential. To face these challenges, the administration has to train its personnel in the modern technology and the use of computer science. Today the civil has also to deal with the problems of environment and pollution which were unknown before.

15.4.2 Role of Civil Servants in a Modern State

In any modern state, the civil servants play an important role. The main responsibility of the civil servants is to implement the policies which are formulated by the political executive or the ministers. The civil servants are not directly responsible for formulating policies. But they help the ministers with various kinds of information and knowledge. The civil servants may also be called the advisors to the ministers.

The civil servants constitute the permanent executive. They are appointed for a fixed period. The ministers are the political executives who are temporary. Therefore, the continuity of administration and various policies concerning development of the society are maintained and ensured by the civil servants. The political executive formulates the policy only. They are carried out and implemented by the civil servants.

In many cases, the civil servants are the brains behind the various developmental programmes. The goals of development administration can not be reached without the participation and co-operation of the civil servants. They constitute so important a part of the administration that the very success and failure of the Government depend upon them.

The role of the civil servants is also important in the day-to-day administration of the country. They work among the people and people also look to them for guidance and assistance. People approach them for the solution of their problems because they hold the responsibility of running the administration.

The socio-economic development of the country is dependent to a great extent upon the performance of the civil servants. They are responsible for the successful implementation of the plans and programmes which are aimed at achieving social and economic development. They need to be action-oriented.

The civil servants are the essential parts of the modern-day administration. The complex problems of administration are to be handled by the civil servants only. They are responsible for the smooth running of the administration by maintaining law and order.



LET US KNOW

Article 310 of the Indian Constitution lays down that the civil servants holding any post under the Union or belonging to an All India Service would do so during the pleasure of the President and every person holding any post under a State or belonging to any State service would do so during the pleasure of the Governor. Article 311 mentions that the civil servants should not be dismissed or removed by any authority subordinate to that by which he was appointed.



CHECK YOUR PROGRESS

Q 3: Mention any four functions of the Civil Service.

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15.5 POLITICAL EXECUTIVE (MINISTERS)

The political executive is constituted by the periodically elected representatives of the people who are responsible for the functioning of the executive departments as well as for all their acts, policies and programmes. In a parliamentary democracy, the political executive consists of the Council of Ministers headed by the Prime Minister. The political executive is a temporary executive in the sense that it changes after every general election. Its members remain in office for a fixed term (usually 5 years) after which the elected representative have to re-contest elections. They can again become ministers only when the party to which they belong returns to power as the majority party. The ministers are amateurs and their function is to formulate policies and to ensure that these policies and laws are effectively enforced by the civil servants.

15.5.1 Salient Features of Political Executive

Political executive has following key features:

- **Political Character:** The members of the political executive are political leaders. They are representatives of the people . The Cabinet Ministers head the government departments.
- **Non Permanent/ Short Tenure:** Once elected or nominated the members of the political executive remain in office only for a limited tenure. After the completion of each tenure, they have to seek a fresh mandate from the people in elections.
- **Part of Parliament directly or indirectly:** In a Parliamentary form of Government, the political executive are the members of the Parliament directly or indirectly.
- **Policy-making is done by the Political Executive:** Policy formulation and decision making are the primary responsibilities of the political executive. After the policy has been determined, the political executive ensures that the government policies are implemented effectively.
- **Political Executive is responsible and accountable to the people/ Legislature:** For all its policies and decisions the political executive is accountable to the people and legislature. In a Parliamentary form of government, the political executive is continuously and directly responsible to the legislature for all its policies, decisions, programmes and activities.
- **Members of Political executive are generally Amateurs:** The members of the political executive are not specially educated and trained in respect of the departments they head. People from different professional backgrounds could hold different portfolios. For instance, a lawyer could become the defence minister and a philosopher could be the finance minister.



CHECK YOUR PROGRESS

Q.4: The political executive is constituted by the periodically elected representatives of the people. (True/False)

Q.5: Who remains responsible to the people and legislature.

.....

Q.6: The .....Ministers head the government departments. (Fill in the blank)

Q.7: Write four features of political executive.(within 60 words)

.....

.....

15.5 NON-POLITICAL EXECUTIVE (CIVIL SERVANTS)

The non-political permanent executive i.e. the bureaucracy, consists of the Civil Servants, from the lowest to the highest level, who carry out the day-to-day administration by working in the government departments.In the words of Herman Finer, "Civil Service is a professional body of officials, permanent, paid and skilled".

E.N. Gladden define, "Civil Service is a professional body of neutral experts in administration dedicated to serve the nation irrespetive of their own gain and without reference to party- political views or class interests."

The civil servants are politically neutral, they do not owe allegiance to any particular political party. Their job is to carry out the laws and policies

of the government without any consideration as to which political party is in power. They are specially educated and trained persons who provide expertise to the government work. They are experts and professionals. They tender expert advice and opinion as well as collect, classify and present data to the political executive on the basis of which the latter takes all decisions. They keep all records. Once appointed, they remain in remain in office till the attainment of the retirement age, usually up to the age of 60. They get regular or fixed salaries and are hierarchically organised into higher/ senior and lower/subordinate relationship. Civil servants are duty bound to always work in accordance with 'rules and regulations.'

Although the primary responsibility of civil servants is to implement public policies, yet the civil servants take active part in the porcess of policy formulation by virtue of their expertise. The civil servants provide advice to the political executive on any matter of administration. The complex problems of administration may not be dealt with properly by the political executive. For this purpose, they need the knowledge and expertise of the civil servants. The influence of the civil servants is very much manifest in the decisions of the political executive. The civil servants are permanent officials who are there with their administrative knowledge to serve the people.

The civil service has become an intergral part of the progress and development of society. On allegiance, honesty, efficiency and policy implementation depends the success of failure of administration. The civil servants should tender true advice to the minister, even if they do not like it. The importance of civil service, today, has increased because of the all-sided expansion of state activity.



LET US KNOW

In the words of Glodden, "The requirements of the civil service are that it shall be impartially selected, administratively competent, politically neutral and imbued with a spirit of community.



ACTIVITY 15.1

Try to find out about the functions of civil servants in a welfare state.



CHECK YOUR PROGRESS

Q.8: Civil Servants are politically neutral. (True/ False)

.....

Q.9: Civil servants are duty bound to always work in accordance with 'rules and regulations' (True/False)

Q.10: "Civil service is a professional body of officials, permanent, paid and skilled"..... Who said this?

15.6 RELATIONSHIP BETWEEN MINISTER AND CIVIL SERVANT

The executive under the Parliamentary system of government in India consists of the ministers and the civil servants. In addition to the ministers who heads the departments, each department has a number of civil servants or bureaucrats who assist the minister in the determination of the policy. While the Minister, being the political executive, remains in charge of the department as its overall head, the bureaucratic or non-political head of the department is designated as the Secretary who happens to be a senior civil servant with considerable administrative experience and expertise. After the policy has been determined, the permanent or non-political executive plays an important part in the implementation of the policy. As Warren Fisher has observed "determination of policy is the function of the minister and once a policy is determined it is unquestioned and unquestionable business of the Civil Servants to strive and carry out that policy with precisely the

same energy and precisely the same good will whether they agrees with it or not".

Though theoretically the permanent executive (civil servants) exists merely to assist the political executive (the ministers) in the implemention of the policy, but in reality it has come to play an effective role in the formulation of the policy as well.A minister is a politician who is elected for a definite period of time. Accordingly, he or she may not always be a capable administrator. In contrast, the civil servant possesses administrative experience and is well versed with the administrative procesess and law. The permanent executive provides the necessary data to the ministers on the basis of which he or she determines the appropriate policies.

The civil servants also play an important role in the sphere of legislation. They prepare the various bills and makes available to the minister necessary arguments which the latter puts forth while introducing the bill in the Parliament. After the bill is passed by the Parliament the civil servants provide the details of these bills by laying down the necessary rules.

In the financial sphere also the civil servants play an important role. They prepare the budget proposals and after these proposals are accepted by the Parliament, they regulate the revenues and expenditure based on the budgetary allocations.

It may be noted that the various powers enjoyed by the civil servants in any department formally belong to the ministers while the civil servants merely exercise them on their behalf. The ministers on their part are accountable to the parliament for the efficient functioning of their respective departments and are responsible for all the actions of the departmental civil servants. As per the convention of ministerial responsibility and anonimity of civil servants, it is the ministers and not the civil servants who remain resonsible to the Parliament for the actions of their respective departments. The Parliament does not discuss the lapses of individual civil servants but of the department as a whole. Nor can the minister escape responsibility by

attributing the failure of his or her department to any civil servant. The civil servants are, however, directly responsible to their respective departmental ministers for all their acts of omission and commission. The ministers can take necessary action against the ***erring*** civil servants.

It cannot be denied that cordial relation between the civil servants and the political leaders are vital for the efficiency of administration and the two must operate within their specified spheres. The ministers should avoid interference in matters of day-to-day administration like posting, transfers etc and permit these to be regulated in accordance with the rules. There have been several ocassions in India where the realtionship between the minister and civil servant became strained.The civil servant is likely to tender advice on the basis of his or her administrative experience and training and should have the courage to speak up against any decision which may be politically motivated. The advice of the civil servant must therefore be given due weightage. The minister, on the other hand, is a leader of the people and is answerable to the electorate. As such, the minister will be more conscious of the popular will while formulating policies. This must be appreciated by the civil servant. Accordingly, the minister has to strike a balance between administrative discreetness and popular acceptability while taking any policy decision. Again the ministers must avoid the habit of blaming the civil servants for the lapse of their department and realise that ultimately they are accountable to the Parliament for the efficient working of the department. The ministers should avoid interference in matters of day-to-day administration like posting, transfers etc and permit these to be regulated in accordance with the rules. The minister should try to become well versed with all issues concerning his or her department and acquire the necessary manegerial and administrative skills so that the civil servant cannot mislead him. In a democracy, the elected people's representatives (ministers) should always maintain the upperhand over the permanent executive or bureaucary. Therefore, the ministers must consitently maintain a high level of integrity and commitment so that they can effetively guide their respective departmental civil servants in matters of policy formulation. On the other

hand the civil servants must also fully co-operate with the ministers and place all the facts and policy alternatives before the minister so that he may be able to take right decisions. The civil servants must also try to act in a neutral manner and render their best service to the minister. They should not become political tools to promote the image of a particular minister or party. Further, they must faithfully carry out the decision and policy laid down by the ministers even if they are not in agreement with it, knowing fully well that the ultimate responsibility for the efficient functioning of the departments rests with the ministers. In short, the civil servants and the ministers must work with perfect understanding and avoid going beyond their jurisdictions. Policy making is a joint venture between the political executive and the non-political executive.

In a welfare state like that of India, a harmonious relation between the Ministers and the Civil Servants is very essential. Administration requires professional expertise which a Minister might lack at times. Therefore, he has to rely on the experience and the training of the career civil servants who gather the same in course of their long years in service. It is said that a parliamentary system of government functions to the best advantage of the people when it combines two elements - the democratic and the bureaucratic, the administrative and the political, and the expert and the amateur. The democratic, political and the amateur element is represented by the Minister and the bureaucratic administrative and the expert element is represented by the Civil Servant.



LET US KNOW

A.D. Gorwala has rightly remarked, "The relationship between the ministers and the official of whatever rank and between officials of various ranks is not that of master and servant but rather that of senior and junior collegeues engaged on the same beneficial tasks".



ACTIVITY 15.2

Try to find out the two important functions of ministers. (non-political executive)



CHECK YOUR PROGRESS

Q.11: Write briefly about the convention of ministerial responsibility and anonimity of civil servants. (within 60 words)

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15.5 LET US SUM UP

- The activities of the modern state are vast and varied. The state requires a body of persons who are capable enough to serve it and to implement its plans and programmes. The modern scientific age is also characterized by specialization of functions and division of labour. One man cannot perform all the tasks.

- To deal properly with the complex problems of the modern state, an effective machinery constituting a professional class of trained personnel is called for to perform different jobs of administration. Such a machinery is obtained in the form of the Civil Service and the personnel manning the same are known as Civil Servants.

- A Civil Servant is one whose main function is to administer the laws of the land. The Civil Servants are mainly of two classes - lower clerical staff and the higher administrative staff.

- Civil Service constitutes an important aspect of modern democratic Government. They can be referred to as the non-political and non-

elected functionaries who are responsible for carrying out the administration under the direction and control of the elected representatives of the people. They are also responsible for ensuring the observance of the law of the state.

- There are some important characteristics of the civil service. One of the most important characteristics of the civil service is professionalism, hierarchy, neutrality, impartiality, anonymity, public accountability, etc.

- Civil service performs a wide range of functions in modern state

- In any modern state, the civil servants play an important role. The main responsibility of the civil servants is to implement the policies which are formulated by the political executive or the ministers. The civil servants are not directly responsible for formulating policies. But they help the ministers with various kinds of information and knowledge. The civil servants may also be called the advisors to the ministers.

- The socio-economic development of the country is dependent to a great extent upon the performance of the civil servants. They are responsible for the successful implementation of the plans and programmes which are aimed at achieving social and economic development. They need to be action-oriented.

- Civil service is often criticised as being unresponsive, inefficient, corrupt and politicised.

- The civil servants face various challenges which carrying out their responsibility in a democratic country. They have to deal with the people on the one hand and the political heads on the other. So, to be efficient and to run the administration successfully, they need to dwell on their intellect, confidence and moral purpose.

- The political executive is constituted by the periodically elected representatives of the people who are responsible for the functioning of the executive departments as well as for all their acts, policies and programmes.

- The non- political permanent executive i.e. the bureaucracy, consists of the Civil Servants, from the lowest to the highest level, who carry out the day-to-day administration by working in the government departments.

- While discussing about the relationship between Civil Service and ministers, we have learnt that there is a close relation between them. Civil servants need to fully cooperate with the ministers and place all the facts and policy alternatives before the minister so that he or she may be able to take right decisions.



15.6 FURTHER READING

1) Basu, Rumki (2004). Public Administration-Concepts and Theories. New Delhi: Sterling Publishers Private Limited.
2) Bhagwan, Vishnoo and Bhushan, Vidya (2007). Public Administration. New Delhi: S. Chand & Company Ltd.
3) Naidu, S.P. (2005), Public Administarion-Concepts and Theories. New Delhi: New Age International (P) Ltd.
4) Sharma, Dr. M. P. & Sadana, Dr.B.L. (2000). Public Administration in Theory and Practice. Allahabad: Kitab Mahal.



15.7 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1 : The activities of the modern state are vast and varied. The state requires a body of persons who are capable enough to serve it and to implement its plans and programmes. The modern scientific age is also characterized by specialization of functions and division of labour. One man cannot perform all the tasks. To deal properly with the complex problems of the modern state, an effective machinery constituting of a professional class of trained personnel is called for to perform different jobs of administration. Such a machinery is obtained in the form of the Civil Service and the personnel manning the same are known as Civil Servants.

Ans to Q No 2 : Any two characterstics of civil service are as follows -

(a) Civil service consists of a professional class of officials. They are skilled, trained and permanent officials of the state;

(b) Civil service is hierarchically orgaised. By hierachy, it is meant that the civil servants are organised in such a manner that each lower official is responsible to his immediate superior official;

Ans to Q No 3 : Four functions of the civil service are -

(a) The civil servants are to execute the laws which are formulated by the legislature for the welfare of the people;

(b) The civil servants also help the political executive in the formulation of laws as well as in preparation of different programmes and policies of the Government;

(c)The civil servants are also to perform certain adjudicative functions. Particularly, the administrative heads of the departments are given some judicial and quasi-judicial (partly judicial) powers to maintain discipline and to protect integrity in departments.

(d) Another important function of the civil servants is termed as Organisation and Method work. This work is done mainly to bring about improvement in methods of work so as to eliminate waste and achieve effective coordination so as to secure the maximum utilisation of the available resources to achieve the desired results.

Ans to Q. No.4: True

Ans to Q. No.5: Political Executive (ministers)

Ans to Q. No. 6: Cabinet

Ans to Q. No.7: (i) Political Character: The members of the political executive are political leaders. They are representatives of the people . The Cabinet Ministers head the government departments.

(ii) Non Permanent/ Short Tenure: Once elected or nominated the members of the political executive remain in office only for a limited tenure. After the completion of each tenure, they have to seek a fresh mandate from the people in elections.

(iii) Part of Parliament directly or indirectly: In a Parliamentary form of Government, the political executive are the members of the Parliament directly or indirectly.

(iv) Policy-making is done by the Political Executive: Policy formulation and decision making are the primary responsibilities of the political executive. After the policy has been determined, the political executive ensures that the government policies are implemented effectively.

Ans to Q. No. 8: True

Ans to Q. No. 9: True

Ans to Q. No. 10: Herman Finer

Ans to Q. No.11: As per the convention of ministerial responsibility and anonimity of civil servants, it is the ministers and not the civil servants who remain resonsible to the Parliament for the actions of their respective departments. The Parliament does not discuss the lapses of individual civil servants but of the department as a whole. Nor can the minister escape responsibility by attributing the failure of his or her department to any civil servant. The civil servants are, however, directly responsible to their respective departmental ministers for all their acts of omission and commission.



15.8 MODEL QUESTIONS

A) Very Short Questions

Q 1 : Who constitutes the permanent executive ?

Q.2 : Who constitutes the non-political executive.

Q 3 : Mention any two features of the political executive.

Q 4 : The civil servants are involved not only in the formulation of the programmes and policies of the Government, but they should also involve themselves in the operational planning. (True/False)

B) Short Questions (Answer each question in about 150 words)

Q 1 : Write the meaning of Civil Service. Explain any four characteristics of Civil Service.

Q 2 : Discuss any four functions of Civil Service.

Q 3 : Write a short note on Delegated legislation

Q 4 : Explain the basic features of political executive

Q.5 : Explain the basic features of political executive

Q.6 : Explain the meaning of non-political executive.

C) Long Questions (Answer each question in about 300-500 words)

Q 1 : Examine the role of Civil Servants in a modern state.

Q 2 : Describe the characteristics of Civil Service.

Q.3 : Explain the meaning of political executive and non-political executive.

Q.4 : Describe the the Minister-Civil Servant relationship in a parliamentary government.



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1) Basu, Rumki (2004). *Public Administration-Concepts and Theories*. New Delhi: Sterling Publishers Private Limited.

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