PGPS S4 02
Exam Code: CPA

Comparative Public Administration

SEMESTER IV

POLITICAL SCIENCE

BLOCK : 2

KRISHNA KANTA HANDIQUI STATE OPEN UNIVERSITY

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March, 2020

ISBN : 978-93-89955-51-4

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

Head Office : Patgaon, Rani Gate, Guwahati-781 017;

City Office : Housefed Complex, Dispur, Guwahati-781 006; Website: www.kkhsou.in

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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POLITICAL SCIENCE
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BLOCK INTRODUCTION

This is the second block of the second course or paper of Krishna Kanta Handiqui State Open University's M.A. Fourth Semester Programme in Political Science. This course or paper of the MA Fourth Semester Programme in Political Science is titled "Comparative Public Administration". The second block of this course contains eight units (Units 8-15).

The Eighth Unit discusses various mechanisms that exist in India and the UK to regulate employer and employees relationship.

The Ninth Unit discusses the budgetary procedures and practices in India and the UK on hthe one hand and the budgetary procedures and practices in the USA with reference to Zero Based Budgeting and Planning Programming Budgeting.

The Tenth Unit discusses the means of legislative control over administration in India, the UK and the USA.

The Eleventh Unit focuses on the means of legislative Control over expenditure in India , the UK and the USA.

The Twelveth Unit discusses the issue of administrative reforms in India before Independence and after independence and also focusses on the initiatives made for administrative reforms in the UK.

The Thirteenth Unit discusses the issues of integrity, transparency and accountability in the public administration of India and the UK.

The Fourteenth Unit discusses the aspects of good governance and e-governance in India and the USA .

The Fifteenth Unit analyses the system of local government in India and the USA.

While going through the units of the block, you will find that unit is further divided into certain sections and sub-sections, wherever necessary, for your better understanding. Again, the units carry certain activities after a particular section where needed. 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. You may then match your answers with "ANSWERS TO CHECK YOUR PROGRESS" given at the end of each unit. The section "FURTHER READING" in each unit contains the names of a few books which you might want to consult if you are intereted in learning more elaborately about the concepts discussed in a particular unit. Furthermore, the category called "POSSIBLE QUESTIONS" is intended to give you a hint of the type of questions you are likely to get in the examination.

UNIT 8: EMPLOYER-EMPLOYEE RELATIONS (UK AND INDIA)

UNIT STRUCTURE

8.1 Learning Objectives

8.2 Introduction

8.3 Scope of Employer-Employee Relationship

8.4 Machinery for Negotiations regarding Employer-Employee Relationship in UK and India

- 8.4.1 Whitley Council in United Kingdom (UK)
- 8.4.2 Staff Council in India
- 8.4.3 Joint Consultative Machinery (JCM) in India

8.5 Let Us Sum Up

8.6 Further Reading

8.7 Answers To Check Your Progress

8.8 Possible Questions

8.1 LEARNING OBJECTIVES

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

- explain the scope of employer-employee relationship
- discuss various mechanism that exists in UK and India for negotiations regarding employer-employee relationship, like -Whitley Council in the UK, Staff Councils of India, Joint Consultative Machinery (JCM) in India.

8.2 INTRODUCTION

The success of an organization is heavily dependent on the nature of employer employee relationship in the organization. A healthy employer employee relationship brings efficiency in the organization.In this unit we shall discuss thescope of employer-employee relationship in an organization. This unit shall also focus on various administrative mechanism that exists in UK and India for negotiations regarding employer-employee relationship.

8.3 SCOPE OF EMPLOYER-EMPLOYEE RELATIONSHIP

Modern democratic governments with large-scale administrative organizations, committed to the all-round development of the society cannot carry out their policies and programmes without the active cooperation and participation of the employees. Therefore, harmonious employer employee relations are absolutely necessary for administrative efficiency. To ensure a healthy employer employee relationship, government should maintain some effective mechanism for negotiations with the employees for redressal of their grievances and settlement of issues regarding the conditions of service of its employees. The main objectives of employer -employee relationship in any organization are-

i) To achieve and maintain good human relationships within an organization.

ii) To enable each person to make his or her maximum personal contribution to the effective working of the organization.

iii) To ensure respect for human personality and the well-being of the individual.

iv) To ensure maximum individual development of personnel.

v) To ensure satisfaction of various needs of individuals for achieving their maximum contribution towards organizational goals.

- **Scope of Employer-Employee Relationship:**

  While discussing the scope of employer-employee relationship, it can be said that an organization must contain following components-

  a) Right to form association

  b) Right to strike

  c) Machinery for negotiation and settlement of disputes.

  - **Right toform Association:**

  In every democratic country the public employees are given the right to form association. In India Article 19(A) of the Indian Constitution recognizes the right to form associations by its citizens subject to

reasonable restrictions imposed by the State. Thus, In India the public servants shall have the right to form their associations duly recognized by the Government. The recognition of the Government to such associations is subject to some conditions. Some of suchconditions are-

a) That no person who is not a Government servant is connected with the affairs of the Association,

b) That the executive of the Association is appointed from amongst members only,

c) That the Association shall not support the cause of individual Government servant,

d) That it shall not maintain any political fund or propagate the views of any political party or politician.

It is clear from the above that the right of civil servants in India to form the Associations is subject to stringent conditions. Membership of an association, unrecognized by the Government, is subject to disciplinary action for the civil servants.

The public employee's associations can be categorized into professional associations and trade unions. Professional Associations are basically formed for the exchange of information and experiences for the betterment of their profession. These associations are formed by the higher categories of government employees. For example, there are associations like Central Secretariat Service Associations, Income Tax Gazetted Officers Association, Indian Audit and Accounts Service Association, Teachers' Associations, Association of Civil Services etc.

The Trade Unions, on the other hand, are basically formed by lower level employees. These associations are basically formed to secure better service conditions like salary and other benefits. The trade unions go to strike to meet their demands. Some examples of trade union are All India Postmen Union, All India Railway Employees Union, and College Teachers' Union etc.

Generally, the objectives of the employees' associations are-

1. To put pressure on the government to improve the service conditions.
2. To make suitable opportunity for employees to exchange ideas and experiences.
3. To heighten the morale of the members.
4. To express opinions for the improvement of the service of the organization etc.

➢ **Right to Strike:**

Right to strike of the public employees is a very debatable issue. In India the July 1960 strike of as well as 1968 (abortive) strike of the Central Government Employees has focused public attention on this important problem. The position of the government in this respect varies from one country to the other.

In United Kingdom, there is no law prohibiting strikes by the civil servants. However, striking is a disciplinary offence there, and the Government is free to take any disciplinary action if any government servants go for strike.

In United States of America, the civil servants are prohibited by law to engage in strike. The Labour Management Relations (Taft-Hartley) Act 1947 makes it unlawful for any employee of the Government of the United States of America or any of its agencies including government corporations to resort to strike against the Government. The penalty provided for strikeinclude discharge from employment, forfeiture of civil service status and ineligibility for re-employment for three years. Further, the ban has been made more stringent by a law passed in 1955.

In India, a strike by the Government servants is not prohibited by law; it only constitutes breach of discipline. The Central Civil Services (Conduct) Rules, 1955, forbids a Government servant from participating in any demonstration or resorting to any form of strike in connection with any matter pertaining to his or her conditions of service. However, no such restriction is applicable to industrial staffs, except those under the Railways and Railway staffs.

There is difference of opinion in India regarding public employee's right to strike. Some peoples favour the grant of full Trade Union rights to the Civil Servants including the right to strike. The second view point recommends a total ban on strikes by public servants.The third view point suggests prohibit of only certain types of strikes by the civil servants.

The Second Pay Commission of India is of the opinion that the civil servants should not resort to strike. However, it felt that right to strike need not be prohibited by law. It recommends that adequate machinery should be set up for negotiation, redressal of grievances and settlement of disputes so that the civil servants will not go for strike. In the year 1968, the Essential Services Maintenance Act (ESMA) was passed by the Indian Parliament which empowered the Government to outlaw strikes in any essential service of the country. The Administrative Reforms Commission (1966-1970), set up by the Central Government of India, recommended complete prohibition of strikes by civil servants.

Thus, the weight of opinion from different sections appears in favour of prohibition of strikes in case of civil servants. However, mere banning it is not a remedy. While it is true that the strikes by the public employees causes misery to the people, but it also remains true that strikes are not resorted to in vacuum and without sufficient ground. Strikes would be lessened if proper service conditions are provided and the authorities listen to the views of the employees patiently and redress their grievances in proper time. Hence orderly processes have to be developed and adequate machinery for redressal of grievances should be set up to solve these problems.

- **Machinery for negotiation and settlement of disputes:**

Government of different countries have adopted various mechanism to negotiate and provide settlement to the disputes that take place between employers and employees. In United Kingdom Whitley Council exists for this purpose. Like India has Joint Consultative Machinery which look after the grievances in the organisations.



CHECK YOUR PROGRESS

Q.1: Mention any two objectives of employees' associations.

.....

.....

Q.2: In which year was the Labour Management Relations (Taft-Hartley) Act passed in the United States of America?

.....

Q.3: The Administrative Reforms Commission (1966-1970), set up by the Central Government of India, recommended complete prohibition of strikes by civil servants. (True/False)

.....

8.4 MACHINERY FOR NEGOTIATIONS REGARDING EMPLOYER-EMPLOYEE RELATIONSHIP IN THE UK AND INDIA

In this section, we shall discuss various mechanism that exist in the UK and India for addressing the different issues associated with employer-employee relationship.

- **Whitley Council in United Kingdom (UK):**

Whitleyism is a method of periodical discussion at various levels between representatives of the State as employers (the official side) and representatives of civil servants as employees (the staff side). The system of Whitley Councils has been in existence in the Civil Service of the U.K. since 1919. The spirit of Whitleyism is a readiness on both sides to make the machinery of joint discussion work, to aim at reaching the best possible settlements amicably and to the satisfaction of both sides. The main objectives of the whitleyism are-

1. To get full cooperation between management and staff with a view to increase the efficiency of the public service combined with the well-being of those employed;
2. To provide machinery for dealing with grievances, and

3. To bring together in the solving of problems the experience and different points of view of many kinds of civil servants.

➢ **Organisation of the Whitley Council:**

The Whitley machinery consists of -

a) National Whitley Council for general classes of the Civil Services,

b) Departmental Councils for staff peculiar to a Department,

c) District or Regional Committees which deal with purely local problems of the staff distributed throughout the country.

The National Whitley Council has a total membership of 54, equally divided between the official and staff sides. The official side was originally appointed by the Cabinet, but now a days vacancy are filled by the Treasury. Members are not appointed for any specified term of office and continue to serve until they resign or retire. The official side consists mainly of Heads of Departments, with a few Deputy Heads and Treasury Officers of lower rank. The Staff side members are appointed by the major groups of staff associations. The Staff side seats are distributed to the different associations to be represented on it. The Council has a Chairperson and a Vice-Chairperson. The Chairperson belongs to the official side and the Vice-Chairperson to the staff side. There are four Secretaries for the Council. Each side appoints two of its members to act as Secretaries.

Like the National Council, the Departmental Council has both sides- the Official side and Staff Side. The official side consists normally of serving civil servants of senior rank in the department concerned. They are appointed by the Ministry or by the Head of the Department. The Chairperson is usually the Head of the Department, and the Secretary usually a member of the Establishment Division. The Staff side is appointed in the first place by the associations represented in the Department which are called together for the purpose by the Head of the Department, and like the National Staff side, fills its own vacancies and decides how many seats are to be held from time to time by the different associations.

The District or Regional Whitley Committees are formed in the same principles as the Departmental Councils.

There is no hierarchical connection between these Councils. However, the National Council must, approve all Departmental Council constitutions; and it is kept informed of departmental developments which seem to be inconsistent with national agreements or to have application or consequences beyond the department concerned.

- **Proceedings:**

  The ordinary meetings of the National Council, according to the Constitution, "shall be held as often as necessary and not less than once a quarter. A special meeting of the Council shall be called by the Chairperson or the Vice-Chairperson as required". The decisions of the Council are arrived at by agreement between the two sides and have to be signed by the Chairperson and the Vice-Chairperson. They are, then, reported to the Cabinet, and with its consent become operative. If the two sides disagree, decision can not be reached within the Whitley mechanism.

- **Functions:**

  The scope of National Council comprises all matters affecting the conditions of service of the staff. Its functions include the following:

  1. Formulation of provision of the best means for utilizing the ideas and experience of the staff.
  2. Developing means for securing to the staff a greater share in and responsibility for the determination and observance of the conditions under which their duties are carried out.
  3. Determination of the general principles governing conditions of service e.g. recruitment, hours of work, promotion, discipline, tenure, remuneration and retirement. In promotional matters, the National Council discuss about the general principles only, individual matters are not taken into consideration by the Council.
  4. The Council encourages further education of civil servants and their training in higher administration and organisation.

5. Improvement of office machinery and organisation, and the provision of opportunities for the full consideration of suggestions by the staff on this subject.
6. The Council also proposes legislation so far as it has a bearing upon the position of civil servants in relation to their employment.

- **Limitations of the Whitley Council System:**

There are certain limitations on the scope of the functions of the Council. Such are-

1. The authority of the Whitley Council is merely advisory. They cannot relieve the Government from its responsibility to the Parliament. The Government cannot surrender its liberty of action in the exercise of its authority and the discharge of its responsibilities in the public interest. If agreements are not reached in the Whitley Council, the matter will be reported to the Minister and the Head of the Department is free to act according to his or her own discretion.
2. The Higher level officers don not attempt to discuss their issues in the Whitley machinery. Only the officers upto certain level in the hierarchy are concerned with the Whitley Council.
3. The questions of class or grade remuneration are more often dealt with by direct negotiations than by Whitley Council. The Whitley system does not restrict the Civil Service Associations having direct negotiations with the Department or the Treasury on a matter which is exclusively of its own interest.
4. The Councils have not generally interested themselves in the bigger, non-economic problems of administration. Thus, matters like the policy on security measures and civil rights are Government's responsibility and beyond the jurisdiction of the Whitley Councils. The Council only discuss the practical application of this policy within the framework of the Government directives.

5. The Councils do not consider individual cases nor discuss the merits of particular cases.

- **Working of Whitley System:**

The Whitley system in the United Kingdom has greatly contributed to the harmonious relationship between the staff and the Government. It provides a common meeting ground for the employer and the employees to sit together and discuss matters of common importance and have created better understanding among both. Douglas Houghton rightly described the role of Whitley Council in his lecture at the Indian Institute of Public Administration, New Delhi in 1957 when he said that most of the formal procedures have been dispensed with and there is a good deal of informal discussions. The Chairperson of the official side may contact the Vice- Chairperson of the staff side before the formal meeting and discuss informally how matters stand on a particular claim. Similarly the leaders of the staff side may contact the official side for informal consultations. These informal discussions save a lot of time in formal meetings as each side knows the other's viewpoint.

However, there are some sections in United Kingdom who have criticized Whitleyism also. Some trade associations have criticized Whitleyism on the grounds that it restricts the full operation of trade unionism in the civil service. The Fulton Committee also criticized it on the grounds that it reduces the flexibility of management. In spite of all these criticism Whitleyism in civil service has made anvaluable contribution to good staff relations in the United Kingdom.

- **Staff Council in India:**

In India, it was the First Pay Commission of 1946 in its report clearly underlying the urgency of machinery for negotiating and settling questions relating to conditions of service which may arise out of differences between Government and its employees, but no action was taken for several years in this direction. It was

only in 1954 the matter was taken to implement and the Ministry of Home Affairs, Government of India issued a circular to all the Ministries to establish Staff Committees. Later on the Home Ministry altered the name of the Staff Committees to Staff Councils. There are two Staff Councils in each Ministry- Senior Staff Council for the cadres of Class-I, II and III, and a Junior Staff Council for the Class-IV employees.

The structure of Senior Staff Council is-

a) One Chairperson, who acts as Secretary or Joint Secretary of the Ministry concerned, nominated by the Minister-in-Charge.

b) Government representatives who were nominated by the Ministry from amongst its officials not below the rank of Under Secretary. In addition to that the Head of each attached Office will be nominated by the Minister as member.

c) Staff representatives were elected from amongst the members of the following grades separately- Section Officers, Assistants, Stenographers and Clerks, in the proportion of one representative for twenty members or fraction thereof.

d) A Secretary nominated by the Chairperson from the Staff representatives.

The Junior Staff Council consists of one Chairperson who is the Deputy Secretary of the Ministry concerned, and the other Government Representative members (not below the rank of senior Assistant) nominated by the Government. The Staff representatives are in the proportion of one representative for every twenty members elected from the groups of jamadars, peon and sweepers. The Secretary of the Junior Staff Council will be nominated by the Chairperson from the Staff side in consultation with the representatives.

The functions of the Staff Councils are-

a) To consider suggestions for improving the standards of work.

b) To facilitate personal contact between officers and staff with a view to develop cordial relation between them and encourage the staff to work efficiently

c) To provide a machinery to the staff to express their views to the Government particularly on matters related to their service conditions.

However, the workings of these Councils are not satisfactory. The employees had rejected these Councils and disassociated with it. It was because they understand it very well that these Councils are merely an advisory body and have no power and means for any effective settlement. Even it was also stated that some officers representing the machinery did not have the right attitude towards the machinery. The meetings of the Staff Council were not held regularly. Due to these inefficiencies the Second Pay Commission therefore, recommended for setting up of a Joint Consultative Machinery on the lines of Whitley Council of the United Kingdom along with a provision for compulsory arbitration. The recommendations of the Second Pay Commissions are-

a) The establishment of a Central Joint Council to cover both the industrial and non-industrial Civil Services.

b) There should be departmental Joint Councils also.

c) The setting up of compulsory arbitration tribunals to deal with matters like pay, hours of work, leave etc.

d) The Ministry of Labour should be closely associated with important matters concerning staff relations.

- **Joint Consultative Machinery (JCM):**

On October 10, 1960, the Government of India announced a scheme to bring the Staff Councils in line with the Whitley Councils of the United Kingdom. As per the scheme, the Joint Consultative Machinery is athree-tier machinery consisting of Local or Regional Councils, Departmental Councils and the National Council.The Local or Regional Councils shall deal with

matters pertaining to all Government Offices in the particular region. The Departmental Councils shall deal with matters concerning a particular department and each Ministry shall have a Council. The National Council shall consider the matters relating to the working conditions of the employees with special reference to schemes for their general welfare. There will be an Arbitration Committee consisting of one representative each of the Government and the employees. The members are to be chosen from a penal of five names submitted by the two parties. Any disputes which the National Council is not able to settle will be referred to the committee. In September 1963, the Government announced to establish these bodies on a non-statutory basis. Finally, in October 1966, the Government of India inaugurated the Joint Consultative Machinery and Compulsory Arbitration for the Central Government employees.

- **Objectives:**

The main objectives of the Joint Consultative Machinery are -

a) To promote harmonious relations between the Government and its employees.

b) To secure co-operation between the Government and the general body of its employees in matters of common concern.

c) To increase the efficiency of the public services.

The Joint Consultative Machinery(JCM) discusses matters relating to conditions of services and work, welfare of the employees and improvement of efficiency and standards of work and general principles in regard to recruitment, promotion and discipline. It is strictly excluded from discussing individual cases.

- **The National Council:**

The National Council is the apex level body of the Joint Consultative Machinery, consisting of the official side and the staff side. The Cabinet Secretary is the Chairperson of the National Council. The official side consists of 25 members who are appointed by the Central Government. The staff side has a

maximum membership of 60 who are nominated by the recognized Staff Associations, the distribution of seats fixed by the Chairperson of the Council in consultation with them. The staff side elect a leader from among its members.

The National Council deals with matters generally affecting the government employees. The National Council does not deal with matters of interest to employees of a single department.

- **The Departmental Council:**

The Joint Consultative Machinery Scheme provides for a Departmental Council for each department but there can be a single Council also for 2 or more small departments under a Ministry. The Department of Personnel and Administrative Reforms has a Council to deal with the matters affecting the personnel of the Central Secretariat Services. The Departmental Councils are concerned with the problems of employees who are working in a Ministry/Department and the subordinate and attached offices of the Department. The Secretary of the Ministry concerned represents the official side and is the Chairperson of the Departmental Council. The official side is nominated by the Government and may not have more than 10 members. The staff side has membership ranging between 20 and 30, the exact number depending upon the total strength of the staff and the number of grades and services in the department. The staff side is elected by the staff associations for a term of 3 years. A Departmental Council meets once in 3 or 4 months.

- **Regional or Local Council:**

Regional or Local Councils deal with only regional or local matters relating to condition of work, welfare, improvement of efficiency and standards of work of employees and are set up only where the structure of a department permits such a course. The Local Council consists of not more than 5 members on the official side and 8 members on the staff side.

It should be pointed out that these various tiers are distinct and separate ones. They are in no way hierarchically integrated bodies.

The Joint Consultative Scheme provides for compulsory arbitration in the event of a disagreement between the two sides. But the compulsory arbitration is limited to - (i) pay and allowances, (ii) weekly hours of work, and (iii) leave of a class or grade of employees. The awards of the Board of Arbitration are binding on both sides subject to the over-riding authority of the Parliament.

Though the Fourth Pay Commission (1986) and the Fifth Pay Commission (1991) expressed satisfaction over the functioning of the Joint Consultative Machinery, yet there are many shortcomings in the functioning of the scheme. Unlike the Whitleyism in the U.K., the Joint Consultative Machinery is lacking the very spirit of give and take, because the Government has not always taken the staff side into confidence with the result that unimportant matters are seen to crowd the agenda of the Councils, whereas important subjects get excluded from discussion. On the other hand, the staff side also not serious and responsible enough in making their demands to the Councils. The meetings of the Councils are very irregular and the agenda for discussions is compiled in a somewhat casual way. Moreover, the Joint Consultative Machinery has not been fully implemented.Only 14 Departmental Councils have been set up by the Government so far.

CHECK YOUR PROGRESS



Q.4: Mention any two objectives of theWhitley Councils.

.....

.....

Q.5:In which year the Government of India established the Joint Consultative Machinery and Compulsory Arbitration for the Central Government employees?

.....

Q.6:Write briefly about the composition of the National Council ofthe Joint Consultative Machinery of India.

….....

.....

.....

.....

Q.7:Mention any two objectives of the Joint Consultative Machinery.

.....

.....



8.5 LET US SUM UP

- The success of an organization is heavily dependent on the nature of employer employee relationship in the organization. A healthy employer employee relationship brings efficiency in the organization.To ensure a healthy employer employee relationship, government should maintain some effective mechanism for negotiations with the employees for redressal of their grievances and settlement of issues regarding the conditions of service of its employees.
- While discussing the scope of employer-employee relationship, it can be said that an organization must contain following components - right to form association, right to strike, machinery for negotiation and settlement of disputes.
- Government of different countries have adopted various mechanism to negotiate and provide settlement to the disputes that take place between employers and employees. In United Kingdom Whitley Council exists for this purpose. Like India has Joint Consultative Machinery which look after the grievances in the organisations.
- In the United kingdom,Whitley Councilis the mechanism that exist for addressing different issues associated with employer-employee relationship. Whitleyism is a method of periodical discussion at various

levels between representatives of the State as employers (the official side) and representatives of civil servants as employees (the staff side).

- The Whitley machinery consists of -National Whitley Council for general classes of the Civil Services,Departmental Councils for staff peculiar to a Department,District or Regional Committees which deal with purely local problems of the staff distributed throughout the country.
- In October 1966, the Government of India inaugurated the Joint Consultative Machinery and Compulsory Arbitration for the Central Government employees.
- The Joint Consultative Machinery is a three-tier machinery consisting of Local or Regional Councils, Departmental Councils and the National Council.



8.6 FURTHER READING

1) Arora, Ramesh. K. and Goyal,Rajni.(1996).*Indian Public Administration, Institutions and Issues.*New Delhi: WishwaPrakashan.

2. Avasthi, Dr. Amreshwar. and Maheswari, Dr. Shriram.(2002).*Public Administration*. Agra: Lakshmi Narain Agarwal Publication.

3. Bhagwan, Vishnoo. and Bhushan,Vidya.(2007).*Public Administration*. New Delhi: S. Chand and Co. ltd.



8.7 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q. No. 1: (i) To put pressure on the government to improve the service conditions. (ii)To make suitable opportunity for employees to exchange ideas and experiences.

Ans to Q. No. 2: 1947

Ans to Q. No. 3: True

Ans to Q. No. 4: (i) To get full cooperation between management and staff with a view to increase the efficiency of the public service

combined with the well-being of those employed;

(ii) To bring together in the solving of problems the experience and different points of view of many kinds of civil servants.

Ans to Q. No. 5: 1966

Ans to Q. No. 6: The National Council is the apex level body of the Joint Consultative Machinery, consisting of the official side and the staff side. The Cabinet Secretary is the Chairperson of the National Council. The official side consists of 25 members who are appointed by the Central Government. The staff side has a maximum membership of 60 who are nominated by the recognized Staff Associations, the distribution of seats fixed by the Chairperson of the Council in consultation with them.

Ans to Q. No. 7: a) To promote harmonious relations between the Government and its employees.

(b) To secure co-operation between the Government and the general body of its employees in matters of common concern.



8.8 POSSIBLE QUESTIONS

Q. 1 : Mention two main objectives of the employer employee relationship in any organization.

Q. 2 : Where the Whitley Council system exists?

Q. 3 : Write about the scope of the employer employee relationship.

Q. 4 : Write about the Staff Council in India.

Q. 5 : Write about the weaknesses of the Staff Council system.

Q. 6 : What is the importance of effective employer employee relation in public administration? Discuss the importance of employees right to Association.

Q. 7 : Discuss the Whitley System in U.K.

Q. 8 : Discuss the scheme of Joint Consultative Machinery in India.

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UNIT 9: BUDGETARY PROCEDURE AND PRACTICE (INDIA, UK AND USA)

UNIT STRUCTURE

9.1 Learning Objectives
9.2 Introduction
9.3 Budgetary Procedures and Practices in India and the UK
  9.3.1 Background of Budgetary Procedures
  9.3.2 Budgetary Procedures and Practices in India and the UK
9.4 Budgetary Procedures and Practices in the USA (Zero Based Budgeting, Planning Programming Budgeting)
  9.4.1 Zero Based Budgeting
  9.4.2 Planning Programming Budgeting
  9.4.3 The British and the Indian Budgetary Systems compared with that of the USA
9.5 Let Us Sum Up
9.6 Further Reading
9.7 Answers to Check Your Progress
9.8 Possible Questions

9.1 LEARNING OBJECTIVES

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

- discuss the meaning of budget and the background of budgetary procedures
- explain the budgetary procedures in India and the UK
- explain the budgetary procedures and practices in the USA with reference to Zero Based Budgeting and Planning Programming Budgeting
- Compare the budgetary systems of India, the UK and the USA

9.2 INTRODUCTION

Finance occupies a very prominent place in the study of public administration. Of the several factors that enter into the problem of efficient

administration, one of the greater importance is financial administration.Finance is the life-blood of a government and fuel for the engine of public administration.

The success of administration depends upon the availability of finance. Nothing can be done without the expenditure of money. From the payment of salary or wage of the official or employee money is a major factor. Financial operations may be designed to develop and promote particular public policies, e.g., tariffs may be so levied as to provide protection to the home industries, or taxation may be so imposed as to bring economic equality.

9.3 BUDGETARY PROCEDURES AND PRACTICES IN INDIA AND THE UK

9.3.1 Background of Budgetary Procedures

The nineteenth century witnessed the growth of the problem of public finance on a large scale. On the one hand, the functions of the State become manifold in all directions and on the other hand, the necessity of checks in financial administration to prevent fraud and waste and to secure the highest possible results from public expenditures was felt. To solve this vexed problem, there arose the budget system in England which was absolutely non-existent until 1803. The budget thus became a very important tool of financial administration.

The word 'budget' is derived from a French word, 'Bougette', which means a leather bag or wallet. The term was used for the first time in 1773 in a satire entitled 'Opening the Budget'. The Chancellor of the Exchequer in the UK used to carry a leather bag containing papers on the financial plans for the country to the House of Commons. So when he set off to place his financial plans before the House, he used to open his 'budget', that is, the bag, and it is because of this association of the financial plan with the 'bougette' that the financial statement of a country has come to be known as budget. The term budget, in modern times, therefore, denotes that document

which contains estimates of revenue and expenditure of a country, usually for the fixed period of one year.

Fiscal managementis central to effective financial development which is indispensable for keeping the state on the path of socio-economic development. A sound fiscal management involves a chain of operations viz., Preparation of budget; Legislation of the budget; Execution of the budget and audit.

Fiscal management is a dynamic process involving a continuous chain of operations which are:

i) Preparation of the budget, i.e. of the estimates of revenue and expenditure for the ensuing financial year;
ii) Securing legislative sanction for these estimates;
iii) Execution of the budget,i.e., regulation of the expenditure and raising the revenue;
iv) Treasury management, i.e., safe custody of the funds raised and due arrangements for the necessary payments to meet the liabilities; and
v) Rendering of the accounts by the executive and the audit of these accounts.

The above operations regarding fiscal management are carried outby the following agencies:

a) The executive assisted by the central department or departments concerned mainly with financial administration;
b) The legislature;
c) The principal financial officers in the administrative departments;
d) The audit organization; and
e) The committees of the legislature.

9.3.2 Budgetary Proceduresand Practices in India and the UK

A brief discussion of the budgetary procedures in India and the UK could be made with reference to the agencies mentioned in the previous section as follows :

1) The Executive:

The chief executive is responsible for formulation of the financial policy of the government and the preparation of the estimates of expenditure and revenue for the ensuing financial year. He is assisted in this job by a centraldepartment which in Britain is called the Treasury and in India is known as the Ministry of Finance. The estimates prepared by the disbursing officers are reviewed by the head of the department. These are then forwarded to the Finance Department which gives to these estimates final shape and puts them in the budget.

2) The Legislature:

According to the democratic principle no tax can be levied or collected and no expenditure can be made by the Government except with the previous consent of the Parliament. The executive makes the demands incorporated in the budget and the legislatures grants them. The power of authorising expenditure and collection of taxes is usually vested in the popular or lower chamber of the legislature, for example, in the House of Commons in England and the Lok Sabha in India. The Upper Houses in both these countries do not have much say in the matter. In parliamentary countries, the legislatures performs its financial functions under the leadership of the executive. In the U.S.A. the legislature is not subject to any such control by the executive. It may do with the budget proposals whatever it likes.

3) Heads of Departments:

As soon as the budget is passedby the legislature, the 'controlling officer' who is usually the head of the department allocates funds to the disbursing officers who are responsible for the disbursement of money. In England, the head of a department is also nominated as the Accounting Officer by the Treasury but in India the heads of departments are not responsible for account keeping. In India, this work is done by the Comptroller and Auditor General of India .

4) Audit:

A very important agency of financial administration is the Audit Department. In India the audit agency is headed by the Comptroller and Auditor General of India who is a constitutional authority .In the UK, the Comptroller and Auditor General is an officer of the House of Commons and is the head of the National Audit Office, the body that scrutinises central government expenditure.

5) Parliamentary Committees:

Finally two committees of the Indian parliament, namely, the Estimates Committee and the Public Accounts Committee exercise financial control on behalf of the legislature. In the UK, the Committee of Public Accounts or the Public Accounts Committee which is a select committee of the British House of Commons responsible for overseeing government expenditures and to ensure they are spent appropriately.

The agencies mentioned above are employed for financial administration. These agencies have to see that the tax payer's money is rightly and properly used. Public money is a trust, and financial administration should see to it that even a rupee is not spent for personal gain of any individual, but for the good of the people as a whole. Efficient financial administration is the pride of the administrative system of a country.



CHECK YOUR PROGRESS

Q.1: The word 'budget' is derived from which French word ?

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Q.2: Mention any two agencies which are tasked to carry out operations with regard to fiscal management.

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9.4 BUDGETARY PROCEDURES AND PRACTICES IN THE USA (ZERO BASED BUDGETING, PLANNING PROGRAMMING BUDGETING)

9.4.1 Zero Based Budgeting

Zero-based budgeting was developed in 1969 in the USA and later applied in government budgeting, notably in the State of Georgia. Zero-based budgeting(ZBB) is a method of budgeting in which all expenses must be justified for each new period. The process of zero-based budgeting starts from a zero base,' and every function within an organization is analyzed for its needs and costs. Budgets are then built around what is needed for the upcoming period, regardless of whether each budget is higher or lower than the previous one.

ZBB allows top-level strategic goals to be implemented into the budgeting process by tying them to specific functional areas of the organization, where cost can be first grouped and measured against previous results and current expectations.

The ZBB technique involves a critical review of every scheme before a budgetary provision is made.The Z BB requires each organization to evaluate and review all its programmes and activities current or new on the basis of cost as well as performance. A scheme will not be funded merely on the ground that it was in operation during the earlier year, for the next year allocation its utility, justification and performance will have to be established. The fundamental idea behind Z BB is that the agency should justify its entire budget from ground up each year. The traditional budget assumes that there was zero budgeting base for a scheme that is guaranteed and the only question is how much more moneyor increment will be given for that scheme. In contrast Z BB assumes that there was a zero budgeting base for a scheme and in order to get a budgetary allocation it must established its utility and justification in terms of its achievements and performance. In other words, two questions are required to be answered:

i) Are the current activities effective and efficient?

ii) Should current activities be eliminated or reduced to allocate funds to higher priority programmes or to reduce the current budget?

The Z BB techniques require a large mass of quantitative data regarding the objectives, targets, performance evaluation and a comparison among divergent programmes. Z BB is a pragmatic approach which offers a flexible management tone. It can lead to substantial savings, particularly in the Indian context. It can improve programme effectiveness and make administration more responsible and responsive.

In India, Shri V.P. Singh, the former Union Finance Minister in the Rajiv Gandhi Government, told a Parliamentary Consultative Committee that the government would be introducing zero-based budgeting at first in a small way in 1986-87 and thereafter in full, in the budget formulation in 1987-88.

9.4.2 Planning Programming Budgeting

Planning Programming Budgeting was first introduced in the Department of Defense in the USA in 1961 by Robert McNamara, and subsequently in all departments in 1965 until 1975.

Budgeting is an instrument forshort-term as well as long-term planning. The relation between planning and budgeting is very close. The programming, planning, and budgeting staff in the various government agencies must work as a team to exercise continuing surveillance of the respective programmes. The programmes must be reviewed and evaluated at the departmental level in relation to the objectives of the department, not only in terms of the needs of today or next fiscal year, but also in terms of the overall departmental goals at least for several years ahead. Programmes established many years ago must be re-evaluated in the light of conditions of today and the years ahead. Evaluation must be made between "desirable"

programmes and "essential" programmes. Non-essentials programmesmust be eliminated.

In the words of Thavaraj: "The marriage of 'planning' and 'budgeting' must begin at 'grass roots' level in the respective departments and agencies."

Mr. Sachin Chaudhuri, while presenting the Budget proposals for 1966-67 to the Indian Lok Sabha on February 28, 1966, said: "The Budget of the Government of India is a major instrument for implementing our plans and policies. It has to be framed, therefore, in response to current economic trends as well as the long-term requirements of the economy"(Source: 1Bhagwan, Vishnoo. &Bhushan, Vidya. (2007): Public Administration. Nineteenth Edition, S. Chand & Company Ltd: New Delhi.pp.590).

9.4.3 The British and the Indian Budgetary Systems compared with that of the USA

Broadly speaking, the British budgetary process is same as the Indian, but certain differences may be noted between the two:

i) Firstly , Britain has always had only one Budget. In India there used to be aseparate railway budget until it was merged with the Union budget from the year 2017-18.

ii) Secondly , the budget speech in India is made by the Finance Minister as soon as the budget is laid on the Table of the House, but in the UK the budget speech is made by the Chancellor of Exchequer at a later stage when the revenue part of the budget is introduced in the Committee on Ways and Means.

iii) Thirdly, in India the budget is laid before both the Houses of Parliament and is discussed in both the Houses but in the UK it is not introduced and discussed in the House of Lords.

iv) Fourthly , in the UK, the voting of demands and of revenue is done in the Committee of the Whole House known as the Committee of Supply and the Committee of Ways and Means respectively but in India the House does not sit as a Committee

of the Whole House. The Lok Sabha itself takes up and passes the budget.

v) Fifthly, in India the budget reaches the President 14 days after it has been passed in the Lok Sabha, while in the UK it is presented to the Queen 30 days after it has been passed by the House of Commons.

For the rest, the budgetary procedure in Britain has the same features as that in India. As a matter of fact, the former is the model on which the latter is based.

Unlike India, in the USA there is no budget speech, because on account of separation of powers, the American executive is not represented in the Congress.

The budgetary process in the USA is largely disintegrated and un-coordinated. Instead of a single Appropriation Bill and a single Finance Bill, there are several such bills. The separate bills make it difficult for the Congress to view the year's programme as a whole. Secondly, any member of the Congress may propose an addition to expenditure. This is not so in India or Britain. The Parliament can refuse to reduce a demand but it cannot increase a demand.

Thus, the financial systems of the USA, India,and Britain differ in several respects on account of their different political systems.

Budget today has become one of the primary tools of financial administration. It is the master financial plan of the Government. It brings together estimates of anticipated revenues and proposed expenditures implying the schedule of activities to be undertaken and the means of financing these activities.

Apart from budget being a "tool of administration" on the basis of an orderly finance, it has now become a very powerful instrument of social and economic policy. The modern states are welfare states and as such budget is used as means for the promotion of welfare objectives. Besides realizing the plans for higher production in various sectors, the government aims at correcting the inequalities in the distribution of wealth by higher taxation for the rich and proportionately

lower taxation and sometimes even exemption for the poorer section of community through the instrumentality of budget. In the days of laissez- faire, budget was a simple statement of estimated income and expenditure, but mow in the modern social welfare states it has become an instrument of promoting the social and economic welfare of the people.

The budget is awaited anxiously by the people. It has wide ramifications. It plays a vital role in the economy of a state. Every citizen is interested in it. From the budget the citizens can know what benefits they are going to derive and how much tax they will have to pay. The taxation policy of the Government in the Budget may lead to narrowing down of the class distinctions and inequalities. The production policy as reflected in the budget may help in removing poverty, eradicating unemployment and avoiding unequal distribution of wealth. The budget has a great social and economic impact on modern states and hence it is more than a mere balance- sheet.



CHECK YOUR PROGRESS

Q.3: Write briefly about PlanningProgramming Budgeting.

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Q.4: Point out two differences between the budgetary procedures of the UK and India.

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9.5 LET US SUM UP

- The word 'budget' is derived from a French word, 'Bougette', which means a leather bag or wallet. The term was used for the first time in 1773 in a satire entitled 'Opening the Budget'.

- The Chancellor of the Exchequer in the UK used to carry a leather bag containing papers on the financial plans for the country to the House of Commons. So when he set off to place his financial plans before the House, he used to open his 'budget', that is, the bag, and it is because of this association of the financial plan with the 'bougette' that the financial statement of a country has come to be known as budget.
- The term budget, in modern times, therefore, denotes that document which contains estimates of revenue and expenditure of a country, usually for the fixed period of one year.
- Fiscal management is central to effective financial development which is indispensable for keeping the state on the path of socio-economic development. A sound fiscal management involves a chain of operations viz., Preparation of budget; Legislation of the budget; Execution of the budget and audit.Fiscal management is a dynamic process involving a continuous chain of operations.
- The operations regarding fiscal management are carried out by a number of agencies.
- A brief discussion of the budgetary procedures in India and the UK could be made with reference to these agencies
- The chief executive is responsible for formulation of the financial policy of the government and the preparation of the estimates of expenditure and revenue for the ensuing financial year. He is assisted in this job by a central department which in Britain is called the Treasury and in India is known as the Ministry of Finance.
- According to the democratic principle no tax can be levied or collected and no expenditure can be made by the Government except with the previous consent of the Parliament. The executive makes the demands incorporated in the budget and the legislatures grants them. The power of authorising expenditure and collection of taxes is usually vested in the popular or lower chamber of the legislature, for example, in the House of Commons in England and the Lok Sabha in India.

- In the U.S.A. the legislature is not subject to any such control by the executive. It may do with the budget proposals whatever it likes.
- As soon as the budget is passedby the legislature, the 'controlling officer' who is usually the head of the department allocates funds to the disbursing officers who are responsible for the disbursement of money. In England, the head of a department is also nominated as the Accounting Officer by the Treasury but in India the heads of departments are not responsible for account keeping. In India, this work is done by the Comptroller and Auditor General of India .
- A very important agency of financial administration is the Audit Department. In India the audit agency is headed by the Comptroller and Auditor General of India who is a constitutional authority .In the UK, the Comptroller and Auditor General is an officer of the House of Commons and is the head of the National Audit Office, the body that scrutinises central government expenditure.
- Finally two committees of the Indian parliament, namely, the Estimates Committee and the Public Accounts Committee exercise financial control on behalf of the legislature. In the UK, the Committee of Public Accounts which is a select committee of the British House of Commons responsible for overseeing government expenditures and to ensure they are spent appropriately.
- Zero-based budgeting was developed in 1969 in the USA and later applied in government budgeting, notably in the State of Georgia. Zero-based budgeting (Z BB) is a method of budgeting in which all expenses must be justified for each new period.
- The process of zero-based budgeting starts from a zero base,' and every function within an organization is analyzed for its needs and costs. Budgets are then built around what is needed for the upcoming period, regardless of whether each budget is higher or lower than the previous one.
- Planning Programming Budgeting was first introduced in the Department of Defense in the USA in 1961 by Robert McNamara, and subsequently in all departments in 1965 until 1975.

- Budgeting is an instrument forshort-term as well as long-term planning. The relation between planning and budgeting is very close. The programming, planning, and budgeting staff in the various government agencies must work as a team to exercise continuing surveillance of the respective programmes.
- Broadly speaking, the British budgetary process is the same as that of India with certain differences. However, the budgetary process of the USA is fundamentally different from those of India and the UK.



9.6 FURTHER READING

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2. Sharma, M. P., Sadana, B. L., & Kaur, H. (2013). *Public Administration in Theory and Practice* (49th ed.). Allahabad, Uttar Pradesh: Kitab Mahal.
3. Milakovich, M. E., & Gordon, G. J. (2013). *Public administration in America*. Boston, MA: Wadsworth/Cengage Learning.
4. Dahiya, S.S., Singh, Ravindra (2014) *Comparative Public Administration,* New Delhi, Sterling Publishers



9.7 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q. No. 1: Bougette

Ans to Q. No. 2: (a) The executive assisted by the central department or departments concerned
mainly with financial administration.
(b) The legislature.

Ans to Q. No. 3: Planning Programming Budgeting was first introduced in the Department of Defense in the USA in 1961 by Robert McNamara, and subsequently in all departments in 1965 until 1975.

Budgeting is an instrument forshort-term as well as long-term planning. The relation between planning and budgeting is very close. The programming, planning, and budgeting staff in the various government agencies must work as a team to exercise continuing surveillance of the respective programmes. The programmes must be reviewed and evaluated at the departmental level in relation to the objectives of the department, not only in terms of the needs of today or next fiscal year, but also in terms of the overall departmental goals at least for several years ahead. Programmes established many years ago must be re-evaluated in the light of conditions of today and the years ahead. Evaluation must be made between "desirable" programmes and "essential" programmes. Non-essentials programmesmust be eliminated.

Ans to Q. No. 4:

(a) The budget speech in India is made by the Finance Minister as soon as the budget is laid on the Table of the House, but in the UK, the budget speech is made by the Chancellor of Exchequer at a later stage when the revenue part of the budget is introduced in the Committee on Ways and Means.

(b) In the UK, the voting of demands and of revenue is done in the Committee of the Whole House known as the Committee of Supply and the Committee of Ways and Means respectively but in India the House does not sit as a Committee of the Whole House. The Lok Sabha itself takes up and passes the budget.



9.8 POSSIBLE QUESTIONS

Q. 1 : Discuss the general background of Budgetary Procedures

Q. 2 : Explain the budgetary procedures in India and the UK

Q. 3 : Write about Zero Based Budgeting in the context of the USA

Q. 4 : Compare the budgetary procedures among India, UK and U.S.A.

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UNIT 10: LEGISLATIVE CONTROL OVER ADMINISTRATION (INDIA, U.K. AND USA)

UNIT STRUCTURE

10.1 Learning Objectives
10.2 Introduction
10.3 Legislative control over Administration (India, UK and USA)
  10.3.1 Legislative control over Administration in India and the UK
  10.3.2 Legislative control over Administration in the USA
10.4 Let Us Sum Up
10.5 Further Reading
10.6 Answers to Check Your Progress
10.7 Possible Questions

10.1 LEARNING OBJECTIVES

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

- explain the means of legislative control over administration in India
- explain the means of legislative control over administration in the UK
- explain the limitations of legislative control over administration in the parliamentary system of government in India and the UK
- explain the methods of legislative control over administration in the USA

10.2 INTRODUCTION

The civil servants play a vital role in the modern social welfare states. The public servant today is not a mere docile executor of public policy but the mainspring of administration. He or she supplies the expert knowledge to the administration and being an expert he or she controls the administration. Administration is a means of public welfare. The people have a live interest in seeing that public administration is both responsible and efficient. The public officials should be made responsible to appropriate authorities.

There are two main types of controls, namely, i) external (or political) controls, and ii)internal (or administrative) controls. The external controls operate upon the administration from outside. They work within the general constitutional structure and may differ from country to country. The internal controls are those who operate within the administration itself. Both the types of controls, external and internal, are supplementary and complementary.

10.3 LEGISLATIVE CONTROL OVER ADMINISTRATION (INDIA, UK AND USA)

10.3.1 Legislative Control over Administration in India and the UK

In all systems, parliamentary or presidential, control of the administration by the legislature is important. In a parliamentary system, such as in India or Great Britain, it is of primary importance because all state activities emanate from the legislature. The cardinal principle of parliamentary system is the responsibility of the executive to the legislature. The executive therefore cannot afford to be irresponsible. It has to be responsible for each and every act of its civil servants. The responsibility of the administration is thus indirect because it is enforced through the executive. The official cannot be called to the floor of the House to explain his or her act. It is the Minister who shoulders the responsibility for the administrative acts of the department. If he or she is unable to satisfy Parliament, he has to quit office. Sometimes, the entire ministry may have to quit office because ministerial responsibility in a parliamentary system is collective. Thus the legislature's control on administration is indirect, i.e., through the political executive.

The various means through which the legislature in the parliamentary form of government in India and the UK enforces responsibility on the part of the executive and thereby exercises control over the administration are the following:

- **Law-making process:**

The legislature makes the law which determines the organization, functions and procedures of public administration. A new department may be created to give effect to a particular law enacted by the Parliament. However, the legislature's control through the law-making process is very general. Generally, the task of laying down the detailed rules is left to the executive which is known as 'Delegated Legislation'.But the executive makes the rules within the ambit of its authority delegated by the legislature. It cannot transgress the limits of its authority. Sometimes, the legislature may require these rules made by the executive to be placed before it for approval.

In India, we have a committee on Delegated Legislation to examine these rules made by the executive and report back to the House about their authenticity. Just as the legislature may create new powers and functions, similarly it may make changes in them. It may also give the executive the power to make essential adjustments. Thus in a general way the organization of public administration is determined by the legislature. Thus, the legislature has control over administration.

- **Question- Hour:**

In the parliamentary system, especially in India and Britain, the ministers are the members of the legislatures. They attend its sessions and are present in the House to reply to the questions put by the members of the legislature. In every parliamentary system, there is the practice of setting apart one hour of Parliament's meeting time for questions which is called 'Question-Hour'. The members may ask questions regarding any act or omission of administrative authorities, from the highest to the lowest. The Ministers concerned prepare their answers and reply to the questions on the floor of the House. In addition to it, supplementary questions may also be put.

Through questions, public grievances can be ventilated, administrative lapses may be brought to notice and information on any matter may be solicited. The questions keep the civil servants alert. They have to brief their Minister to enable him or her to answer the questions. This necessitates the careful record-keeping of every transaction or case, for there is no knowing about what matter a question may be tabled.

The question hour exercises a very healthy check on administration. The question hour has been described as a search- light, which play an important part in the mechanism of control over Public Administration. Therefore, we can see that the legislature has control over the administration in a parliamentary form of government.

- **Budgetary System:**

A more effective means of control over administration by the Legislature in India and the UK is through the budgetary system. We have seen earlier that budgetary system places control of the administration in the hands of the executive. However, at the same time it enables the legislature also to exercise a varied control over administration. The legislature passes the budget every year and authorizes expenditure. No money can be spent by the administration without proper authorization from the legislature. With its control over the national purse the legislature defines closely the activities which the departments may undertake. When the budget is before the Parliament, the members get an opportunity to review the functioning of administration. The members criticize the policies of the government and bring to light its failures. The ministers take note of such criticisms and make necessary changes in the administration. They make the necessary changes and control the administration to make the budget.

- **Audit and Report:**

The activities of government are now-a-days so widespread that legislature does not have time for detailed investigation of the

financial transaction of administration. This is done by the Auditor and Comptroller- General who in India is a creation of the Constitution. He functions independentlyof executive control. He or she audits all expenditure from the revenues of the Union or States, incurred in and outside India and ascertains whether moneys shown in the accounts as having been disbursed were legally available for and applicable to the service or the purpose to which they have been applied or charged. Audit brings to the notice of the Parliament procedural and technical irregularities and lapses on the part of administration. The officials are held to account for such irregularities and lapses on their part.

The Public Accounts Committeeof the Indian Parliament thereafter scrutinizes the Report and reviews the financial dealings of the different departments of the Government. It reports back to the Parliament and the legislature discusses Auditor General's Report according to the findings of the committee.

In the UK, the National Audit Office (NAO) led by the Comptroller and Auditor General (C&AG) audits the financial statements of all central government departments, agencies and other public bodies, and report the results to Parliament. The C&AG is an officer of the House of Commons. The report of the C&AG helps the Parliament to hold government to account and improve public services. (Source: https://www.nao.org.uk/about-us/)

- **Debates and Discussions:**

Debates and discussions are a very important occasion for the Parliament to examine and scrutinize the activities and efficiency of various governmental agencies. The inaugural address of the President of India or the British Queen , the Budget Speech, introduction of a bill for amendment of an act or enactment of new law, introduction of Motions or Resolutions provide an occasion for debates and discussions. In the course of discussion the members of Parliament criticizes the administration for its lapses and failures. The Budget Speech of the Finance Minister

of India or the Chancellor of the Exchequer in the UK provides another opportunity to the Parliament to review and criticizethe functioning of administration. Budget debates, it may be said, are very important from the viewpoint of parliamentary control over administration.

There are several other devices of drawing the attention of the Government to a problem pertaining to administration. Among such devices include different motions such as No-confidence Motion, Adjournment Motion, Censure Motion and Call- Attention Motion. The meaning of No-confidence Motion is simple. It is a motion expressing lack of confidence in the Ministry on account of some of its serious lapses, failures and inefficiency. If passed, it will lead to resignation of the Government. The Adjournment Motion is introduced to discuss a definite issue of urgent public importance. Something very grave which affects the whole country, its safety, its interests and all that is happening must have occurred to substantiate the urgency of the Motion. A censure motion can be moved against the Ministry or an individual minister or a group of ministers for their failure to act or not to act or for their policy, expressing regret, indignation or surprise of the House. A Call- Attention Motion may be introduced by a member of the Parliament with the permission of the chair to draw the attention of a Minister to a matter of urgent public importance and request him to make a statement thereon.

In the Indian Parliament, there are two other occasions for discussing the administrative activities of a department. These are: i) Half-an-hour discussion, and ii) Short Discussion. The half-an-hour discussion follows the Question-Hour. When a member feels dissatisfied with the answer given to his or her question, he or she may request the chair to allow Half-an-Hour discussion on the particular matter which was the subject of his Question. During the short discussion of half-an-hour, the House may extract more information on the subject, may seek further

clarification of the policy, and may put more pressure on the government to modify the policy to ventilate the public grievances.

The Business Rules of the Indian Parliament also provide for short discussions on a matter of urgent public importance for a short time not exceeding two and a half hours.

The value of debates and discussion is that they compel the Governmentto explain and defend particular issues of their policy at length. It also enables the opposition to expose the weak points of administration. Thus, debates and discussion are a means of legislative control over administration.

Both in India and U.K. we see debates and discussions as a means of control over administration.

c) Appointment of Committees:

The appointment by the legislature of committees from its own membership is another method of exercising control over administration. In the Indian Parliament there is a Committee on Assurances. The Ministers make some promises or assurances on the floor of the House in the course of debates, discussions and questions. It is the duty of the parliament to see that the assurances given to the parliament are implemented by the Government. Before the setting up of the Committee on Assurances it was left to the individual members to keep a watch whether promises were being implemented. But since the creation of this Committee, it is the function of the Committee to see that the promises made by the House are fulfilled. The Committee scrutinizes the assurances, promises and undertakings given by the Ministers from time to time on the floor of the House and reports on

a) the extent to which such assurances, promises, undertakings have been implemented, b) whether the promises have been implemented within necessary time.

The establishment of the Committee on Assurances has

greatly strengthened the machinery of legislative control over the administration.

The other Committees which help the Parliament to keep close watch over administration are the Estimates Committee, the Public Accounts Committee, the Committee on Public Undertakings are mainly concerned with financial administration.

The Committee on Subordinate Legislation (sometimes referred to as secondary legislation or subsidiary legislation is a process by which the executive authority is given powers by primary legislation to make laws in order to implement and administer the requirements of that primary legislation) scrutinizes and examines the administrative legislation. The subordinate committee examines the rules, orders and regulations made by the executive in pursuance of the power delegated to it by the Parliament. The Committee has performed very useful functions and keeps subordinate legislation under control.

In addition to the above committees, the Parliament also appoints special committees from time to time to conduct inquiries into any particular matter. These Committees interview officials and members of the public, gather evidence, collect materials and report back to the House. Their report is discussed in the House which again throws the administration open to criticism. These Legislative Committees are thus a highly effective means of exercising control over administration.

In the UK, the House of Commons appoints Select Committees to examine the expenditure, administration and policy of the principal government departments and associated public bodies. There is a Commons Select Committee for each government department, examining three aspects: spending, policies and administration. Some Select Committees such as the Public Accounts or Environmental Audit Committees look into the conduct of affairs of all governmental departments. (source: https://www.parliament.uk/about/how/committees/select/#jump-link-1)

The above are the methods or techniques of legislative control over administration in a Parliamentary system inn India and the UK.

- **Limitations of legislative control over administration in the parliamentary system of government in India and the UK**

According to certain critics, the role of the legislature in this regard is quite limited on account of following reasons:

First, the size of the legislature is very large. On account of its large size, it cannot exercise effective control.

Second, the members of the legislature are laymenwhereas the members of administration are very technical and specialized.

Third, its decisions are general and it is greatly dependent upon the executive for the content of legislation.

Fourth, the majority of the members belong to the ruling party and there are few chances of no-confidence motion or censure motion being passed against the government.

Fifth, the financial committees do post-mortem work. They check the expenditure after it has been incurred.

Sixth, in parliamentary system the legislature is a tool in the hands of the cabinet.

These are some of the criticisms of legislative control over administration.

Whatever the limitations, the legislator enjoys a privileged position. By way of free and unfettered discussions on the floor of the House, he or she can exercise healthy influence upon the administration.

Thus, the legislature in India and UK can exercise control over the administration through the above mentioned techniques.

10.3.2 Legislative Control over administration in the USA

Whatever has been said above is the legislative control over administration in the parliamentary system. Under the Presidential

system of government of USA, the legislative control is different. Since there exists separation of powers between all three branches of the government in the USA, the US Congress can neither put questions to the secretaries nor it can pass a No-confidence or censure Motion against the government. The executive does not sit in the Congress.

Under thepresidential system of government in the USA, the Congress can exercise control over administration through the following methods:

i) It defines the organization, powers and duties of the administrative authorities.

ii) It appoints legislative committees for investigation of administration;

iii) It makes laws laying down policies, methods and procedures;

iv) It controls the national purse, sanctions expenditure through appropriation acts, fixes the purpose and amounts of expenditure, passes tax legislation and examines the accounts audit;

v) It has the power of impeachment of the President. The House of Representatives frames the charges and the Senate sits as a Court of trial. Two -third in both the Houses is essential to remove the President from office.



CHECK YOUR PROGRESS

Q.1: Mention any four means of legislative control over administration in India and the UK ?

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Q.2: In the UK, who appoints Select Committees to examine the expenditure, administration and policy of the principal government departments and associated public bodies?

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Q.3: Write about Question-Hour as a means of legislative control over administration.

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Q.4: Mention any four methods through which the Congress can exercise control over administration in the USA ?

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10.4 LET US SUM UP

- The legislature makes the law which determines the organization, functions and procedures of public administration. A new department may be created to give effect to a particular law enacted by the Parliament. However, the legislature's control through the law-making process is very general.
- Generally, the task of laying down the detailed rules is left to the executive which is known as 'Delegated Legislation'. But the executive makes the rules within the ambit of its authority delegated by the legislature.
- In India, we have a committee on Delegated Legislation to examine these rules made by the executive and report back to the House about their authenticity. Just as the legislature may create new powers and functions, similarly it may make changes in them.

- In the parliamentary system, especially in India and Britain, the ministers are the members of the legislatures. They attend its sessions and are present in the House to reply to the questions put by the members of the legislature.
- In every parliamentary system, there is the practice of setting apart one hour of Parliament's meeting time for questions which is called 'Question-Hour'. The members may ask questions regarding any act or omission of administrative authorities, from the highest to the lowest.
- The Ministers concerned prepare their answers and reply to the questions on the floor of the House. In addition to it, supplementary questions may also be put.
- Through questions, public grievances can be ventilated, administrative lapses may be brought to notice and information on any matter may be solicited. The questions keep the civil servants alert.
- The questionhour exercises a very healthy check on administration.
- A more effective means of control over administration by the Legislature in India and the UK is through the budgetary system.
- No money can be spent by the administration without proper authorization from the legislature. With its control over the national purse the legislature defines closely the activities which the departments may undertake.
- When the budget is before the Parliament, the members get an opportunity to review the functioning of administration. The members criticize the policies of the government and bring to light its failures.
- The ministers take note of such criticisms and make necessary changes in the administration and issues directions to it.
- The activities of government are now-a-days so widespread that legislature does not have time for detailed investigation of the financial transaction of administration. This is done by the Auditor and Comptroller- General who in India is a creation of the Constitution.
- Audit brings to the notice of the Parliament procedural and technical irregularities and lapses on the part of administration. The officials are held to account for such irregularities and lapses on their part.

- The Public Accounts Committee of the Indian Parliament thereafter scrutinizes the Report and reviews the financial dealings of the different departments of the Government. It reports back to the Parliament and the legislature discusses Auditor General's Report according to the findings of the committee.
- In the UK, the National Audit Office (NAO) led by the Comptroller and Auditor General (C&AG) audits the financial statements of all central government departments, agencies and other public bodies, and report the results to Parliament.
- The C&AG is an officer of the House of Commons. The report of the C&AG helps the Parliament to hold government to account and improve public services.
- Debates and discussions are a very important occasion for the Parliament to examine and scrutinize the activities and efficiency of various governmental agencies. The inaugural address of the President, the Budget Speech, introduction of a bill for amendment of an act or enactment of new law, introduction of Motions or Resolutions provide an occasion for debates and discussions.
- The value of debates and discussion is that they compel the Government to explain and defend particular issues of their policy at length. It also enables the opposition to expose the weak points of administration. Thus, debates and discussion are a means of legislative control over administration.
- Both in India and U.K. we see debates and discussions as a means of control over administration.
- The appointment by the legislature of committees from its own membership is another method of exercising control over administration. In the Indian Parliament there is a Committee on Assurances. The Ministers make some promises or assurances on the floor of the House in the course of debates, discussions and questions.
- It is the duty of the parliament to see that the assurances given to the parliament are implemented by the Government

- The establishment of the Committee on Assurances has greatly strengthened the machinery of legislative control over the administration.
- The other Committees which help the Parliament to keep close watch over administration are the Estimates Committee, the Public Accounts Committee, the Committee on Public Undertakings are mainly concerned with financial administration.
- In addition to the above committees, the Parliament also appoints special committees from time to time to conduct inquiries into any particular matter. These Legislative Committees are thus a highly effective means of exercising control over administration.
- In the UK, the House of Commons appoints Select Committees to examine the expenditure, administration and policy of the principal government departments and associated public bodies. There is a Commons Select Committee for each government department, examining three aspects: spending, policies and administration.
- Under the Presidential system of USA, the Congress can exercise control over administration through such methods as : defining the organization, powers and duties of the administrative authorities, appointing legislative committees for investigation of administration; It making laws laying down policies, methods and procedures;controlling the national purse; wielding the power of impeachment of the President.



10.5 FURTHER READING

1) Fadia, B. L., &Fadia, K. (2015). *Public Administration : Administrative theories and Concepts* (12th ed.). Agra, Uttar Pradesh: SahityaBhawan.

2) Sharma, M. P., Sadana, B. L., & Kaur, H. (2013). *Public Administration in Theory and Practice* (49th ed.). Allahabad, Uttar Pradesh: Kitab Mahal.

3) Milakovich, M. E., & Gordon, G. J. (2013). *Public administration in America*. Boston, MA: Wadsworth/Cengage Learning.

4) Dahiya, S.S., Singh, Ravindra (2014) *Comparative Public Administration,* New Delhi, Sterling Publishers.



10.6 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q. No. 1: (a) Law-making process

(b) Question- Hour

(c)Audit and Report

(d) Debates and Discussions

Ans to Q. No. 2: House of Commons

Ans to Q. No. 3: In the parliamentary system, especially in India and Britain, the ministers are the members of the legislatures. They attend its sessions and are present in the House to reply to the questions put by the members of the legislature. In every parliamentary system, there is the practice of setting apart one hour of Parliament's meeting time for questions which is called 'Question-Hour'. The members may ask questions regarding any act or omission of administrative authorities, from the highest to the lowest. The Ministers concerned prepare their answers and reply to the questions on the floor of the House. In addition to it, supplementary questions may also be put.

Through questions, public grievances can be ventilated, administrative lapses may be brought to notice and information on any matter may be solicited. The questions keep the civil servants alert. They have to brief their Minister to enable him or her to answer the questions. This necessitates the careful record-keeping of every transaction or case, for there is no knowing about what matter a question may be tabled.

The question hour exercises a very healthy check on administration. The question hour has been described as a

search- light, which play an important part in the mechanism of control over Public Administration. Therefore, we can see that the legislature has control over the administration in a parliamentary form of government.

Ans to Q. No. 4: Four methods through which the Congress can exercise control over administration under the Presidential system of USAare :

(a) It appoints legislative committees for investigation of administration;

(b) It makes laws laying down policies, methods and procedures;

(c) It controls the national purse, sanctions expenditure through appropriation acts, fixes the purpose and amounts of expenditure, passes tax legislation and examines the accounts audit;

(d) It has the power of impeachment of the President. The House of Representatives frames the charges and the Senate sits as a Court of trial. Two -third in both the Houses is essential to remove the President from office.



10.7 POSSIBLE QUESTIONS

Q. 1 : Discuss briefly the means of legislative control over administration in the UK and India?

Q. 2 : Write about debates and discussions as a means of legislative control over administration.

Q. 3 : Explain the limitations of the legislature in exercising control over administration in UK and India.

Q. 4 : Explain legislative control over administration in USA.

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UNIT 11: LEGISLATIVE CONTROL OVER EXPENDITURE (INDIA, UK, USA)

UNIT STRUCTURE

11.1 Learning Objectives

11.2 Introduction

11.3 Legislative Control over Expenditure in India

- 11.3.1 Public Accounts Committee
- 11.3.2 Estimates Committee
- 11.3.3 Committee on Public Undertakings
- 11.3.4 Audit by Comptroller and Auditor General of India

11.4 Legislative Control over Expenditure in the United Kingdom

- 11.4.1 Public Accounts Committee
- 11.4.2 Audit by Comptroller and Auditor General

11.5 Legislative control over expenditure in the United States

- 11.5.1 Appropriations Committee

11.6 Let Us Sum up

11.7 Further Reading

11.8 Answers to Check Your Progress

11.9 Possible Questions

11.1 LEARNING OBJECTIVES

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

- discuss the role of Public Accounts Committee (PAC), Estimates Committee and Committee on Public Undertakings of the Indian Parliament with regard to legislative control over expenditure in India
- explain the membership, functions and other aspects regarding the Public Accounts Committee, Estimates Committee and Committee on Public Undertakings of the Indian Parliament
- explain the similarities and differences between PAC and Estimates Committee of the Indian Parliament

- discuss the role of Public Accounts Committee with regard to legislative control over expenditure in the UK
- discuss the role of Appropriations Committee with regard to legislative control over expenditure in the USA

11.2 INTRODUCTION

Parliament is called upon to vote large sums of taxpayers money from time to time. In the interest of the taxpayers, it is expected that parliament should satisfy itself that the money voted are directed for the purposes intended and are spent prudently and economically. It may be noted, the effects of the administration itself can ensure efficiency and economy. But the present setup of Administration as it is, there is a necessity to have some agency of the House itself to assure it that its wishes are carried out, that government is conducted honestly and faithfully, and that where business is not transacted efficiently, there is a fair chance that notice will be taken of. It is neither necessary not practicable to defect every inefficient or unwise action, even if it was possible to say accurately on every occasion what is inefficient and unwise. But the House, through its own agency, as J.S Mill long ago contended, is expected " to watch and control the government to throw the light of publicity on its acts, to compel a full exposition and justification of all of them which anyone considers questionable, to censure them if found condemnable." Government expenditure are required to be administered with utmost thrift and frugality so that the Government gets the full return for every rupee it spends. And this calls for control over public expenditure.in a democratic form of government, be it parliamentary or presidential, the Legislative agencies have proper built in mechanisms top regulate governmental spending. Of these mechanisms, the committee system of the Legislature has been playing an effective role in financial scrutiny and administration.

11.3 LEGISLATIVE CONTROL OVER EXPENDITURE IN INDIA- PUBLIC ACCOUNTS COMMITTEE, ESTIMATES COMMITTEE, COMMITTEE ON PUBLIC UNDERTAKINGS

It is a fundamental principle that a democratically constituted legislature exercises the most important control over the public finances. Likewise, in the administration of finance in India, legislature plays the key role. All other agencies of financial administration act on behalf of the legislature and are responsible to it for all their activities. Thus, responsibility for the sound administration of finances of the country lies with the legislature.

The financial system of India consists of two branches: revenue and expenditure.

As regards **revenue**, it is laid down by the Constitution of India that no tax shall be levied or collected except by authority of law. The executive cannot impose any tax without legislative action.

As regards **expenditure**, the pivot parliamentary control is the Consolidated Fund of India. No money can be issued out of this Fund unless the expenditure is authorised by an Act of Appropriation passed by the Parliament. It means that the executive cannot spend the public revenue without parliamentary sanction.

While an Act of Appropriation ensures that there cannot be any expenditure of the public revenues without the sanction of Parliament, Parliament's control over the expenditure cannot be complete unless it is able to ensure economy in the volume of expenditure. Therefore, Effective parliamentary control over the governmental expenditure requires that, first, the Parliament should satisfy itself that the appropriations have been utilised economically for the approved purposes within the framework of the grants; and secondly, it should undertak a detailed examination of the annual budget estimates of the government to suggest possible economies in the implementation of plans and programmes embodied therein.Both these

functions are oof pivotal importance in making parliamentary control over governmental expenditure complete. The Parliament constituted as it is, at present, has not the time and energy to perform these functions. It therefore, constitutes committees to devote themselves to these functions. The most important among them are: 1) Public Accounts Committee 2)Estimates Committee 3) Committee on Public Undertakings.

11.3.1 Public Accounts Committee

Public Accounts Committee (PAC) is one of the standing parliamentary committees, which was first established in 1921 under the Government of India Act 1919 provisions. This committee examines the manners and results of spending the public funds.

- **Members**

  Public Accounts Committee has 22 members of which 15 are from Lok Sabha while 7 from Rajya Sabha. The members are "elected" by members of Parliament amongst themselves via a system of proportional representation by means of single transferable vote; so that all parties get due representation in it. Members are elected for a period of one year. A minister cannot be a member of PAC.

- **Chairman**

  Chairman of PAC is appointed by Speaker from its members. The chairman used to be of ruling party till mid 1960s, however, now the chairman of PAC is from opposition by convention.

- **Functions**

  The function of the Committee is the examination of accounts of the government in all its financial transactions. The committee should satisfy itself:

  i) that the moneys shown in the accounts and having been disbursed legally available for and applicable to the service of purpose to which they had been applied or charged;

ii) that the expenditure conforms to the authority which governs it; and

iii) that every reappropriation has been made in accordance with provisions made in this behalf under rules framedd by competent authority.

It shall also be the duty of the Public Accounts Committee:

i) to examine, in the light of the report of the Comptroller and Auditor General, the statement of accounts showing the income and expenditure of state corporations, trading and manufacturing schemes and projects, together with the balance sheets and statements of profit and loss accounts, which the President may have required to be prepared or are prepared under the provisions of the statutory rules regulating the financing of a particular corporation, trading concern, project;

ii) to examine the statement of accounts showing the income and expenditure of autonomous and semi autonomous bodies, the audit of which may be conducted by the Comptroller and Auditor General of India under the directions of the President or by a statute of Parliament; and

iii) to consider the report of the Comptroller and Auditor General in cases where the president may have required him to conduct an audit of any receipts or to examine the accounts of stores and stocks.

- **Public Accounts Committee and the CAG**

The Committee sets out to perform these functions making the report of the Comptroller and Auditor General as its base. The report is taken up ministry wise, and the secretaries are obliged to appear as witnesses explain the points raised in the audit . The Committee is, thus, enabled to reach its conclusions and

finalize its recommendations. It has at its disposal the services of the Comptroller and Auditor General. He, in fact, is the guiding hand all along.

The Committee examines the report of the Comptroller and Auditor General to find out that the money voted by the parliament has been utilised by the government within the scope of the demand. The phrase ' within the scope of the demand' means-

i) the public expenditure must not exceed the appropriations granted by the Parliament without its prior approval;

ii) the grant is utilised for the purpose for which it was sanctioned by Parliament; and

iii) the nature of items of expenditure compiled against a demand should justify they are being so compiled

The Committee also reviews the form and details in which the estimates are composed in order to arrest any tendency to reduce the number of votes or to include large lump sum provisions, since these are regarded as diminishing the control of Parliament over the estimates.

- **Limitations**

Though the committee is empowered to act upon the audit reports of the CAG, and also to keep a tab on the union government's expenses, there are still a few limitations on it which it should adhere to. The limitations of the Public Accounts Committee are given below:

1. Broadly, it cannot intervene in the questions of policy
2. It can keep a tab on the expenses only after they are incurred. It has no power to limit expenses.
3. It cannot intervene in matters of day-to-day administration.
4. Any recommendation that the committee makes is only advisory in nature. They can be ignored by the ministries.

5. It is not vested with the power of disallowance of expenditures by the departments.
6. Being only an executive body; it cannot issue an order. Only the Parliament can take a final decision on its findings.

- **Critical Evaluation**

The Committee may send for persons, papers and records. The conclusions of the Committee are submitted to parliament in the form of a report. To enable intensive examination, the committee is now a days taking resort to the practice of constituting study groups, dealing with specified departments, such as, Defence, Railways, etc. These study groups submit the reports to the committee. To make the work of the committee more effective, the Comptroller and Auditor General now submits interim reports to it. The Committee considers them and makes recommendations to the government in anticipation of the final report, which is placed before the House. The arrangement is in response to the general criticism that by the time the public accounts are scrutinized, the issue becomes old and stale. A convention has evolved that the recommendations of the committee are accepted by the government. If, however, the government feelss that a particular recommendation is not acceptable to it on certain grounds, it requests for reconsideration of the recommendation. Most of the issues are, thus, settled through mutual discussion and exchange of views. If, however, a specific issue defies any solution in this way and the committee and government continue to take different positions, the final arbiter is the parliament. This, however, is an unlikely situation.

At best, the Public Accounts Committee's probe relates to transactions completed and to damage done. It conducts the postmortem examination of public accounts. The Committee's

findings are, nevertheless, of value as guidance and warning. It would be appropriate to recall the Public Accounts Committee is not an executive body. It is not vested with any executive power, and its function is limited to scrutiny of the public expenditure. It is to be hoped that the Committee will emerge as an effective force in the control of public expenditure. However, regular recurrence and ever changing pattern of official neglect or default brought to light, yeah after year, does suggest that the value of the Public Accounts Committee's deliberations is limited.

11.3.2 Estimates Committee

Estimates Committee was first established during British Era in 1920s but Independent India's first Estimates Committee was established in 1950. This committee examines the estimates included in the budget and suggests 'economies' in public expenditure.

- **Members**

  The Estimates Committee has 30 members and all these members are from Lok Sabha. There is no Rajya Sabha member in Estimates Committee. The members are elected by Lok Sabha members from amongst themselves every year by principles of proportional representation by means of a single transferable vote, so that all parties get due presentation in it. A minister cannot be elected as member / Chairman of estimates committee. The chairman is appointed by the Speaker and chairman is always from ruling party or coalition.

- **Functions**

  The functions of the Estimates Committee have been laid down In the rules of the procedure and directions issued from time to time by the speaker of Lok Sabha. In general, the Estimates Committee has been entrusted with the following functions :

i) to report what economies, improvements in organisation, efficiency and administrative reforms, consistent with the policy underlying the estimates, may be effected;

ii) to suggest alternative policies in order to bring out efficiency and economy in administration;

iii) To examine whether the money is well laid out within the limits of the policy implied in the estimates; and

iv) to suggest the form in which the estimates shall be presented to Parliament.

➢ **Limitations**

In the Indian Constitution, there are a few limitations put forth for the Estimates Committee. Those limitations are given below:

- The power to examine the budget estimates is not an absolute one. The committee can only examine the budget after it is voted upon and not before that.
- Nowhere the power to question the policies of the Parliament has been conferred upon the committee.
- All the recommendations made by the committee are advisory in nature and stand non-binding for the parliament.
- In a year, the committee does not examine the budgets of all the ministries/departments. It chooses a few departments whose budget it wants to examine. Therefore, budget estimates of all the ministries/departments are examined over a period of years and not in one year.

➢ **An Appraisal**

Estimates Committee performs an undoubtedly useful role in Indian government system. It keep the machinery of public administration under parliamentary scrutiny, which is a very wholesome feature.

i) by highlighting the shortcomings and mistakes of public organisations, it acts as a kind of standing committee on

administrative improvement. This role is quite significant, for most of the recommendations made by it are generally accepted by the government

ii) Secondly, the fear of possible exposure by this committee keeps the civil servants more cautious and careful in the administrative functions. The Estimates Committee's work is, no doubt, in the nature of a post mortem, but in the process its arms do reach the evildoers and their names and deeds are publicized. This has a deterrent effect.

iii) Thirdly, the Estimates Committee publishes its report, and the wide publicity given to its findings and recommendations influences and shapes public opinion. A democratic government is always responsive to it.

- **Similarities between PAC and Estimates Committee**
  - Both are financial committees and both are standing committees of parliament
  - Both find their origin in British era.
  - Members of both are elected and chairmen of both are nominated by speaker.
  - A minister cannot be member or chairman of any of them.
- **Differences between PAC and Estimates Committee**
  - While PAC has 22 members, Estimates Committee has 30 members.
  - While PAC members belong to both houses of parliament, Estimates Committee members belong to only Lok Sabha
  - While PAC chairman is from opposition, Estimates Committee Chairman is always from ruling party or dispensation
  - While Estimates committee scrutinizes the Estimates, PAC scrutinizes the appropriationand manner of spending. Thus,

work of Estimates Committee is ex-ante analysis (based on forecasts) while that of PAC is ex post facto analysis (after the actual spending has taken place).

11.3.3 Committee on Public Undertakings

Committee on Public Undertakings examines the reports and accounts of the PSUs and the CAG audit reports related to PSUs. This committee was established in 1964 on recommendations of Krishna Menon Committee.

- **Members**

  Committee on Public Undertakings has 22 members from both the houses of parliament {15 from Lok Sabha and 7 from Rajya Sabha}. These members are elected by the members of parliament from amongst themselves via principle of proportional representation by means of a single transferable vote, so that all parties get due representation. Term of the members is one year. However, the chairman of this committee, appointed by Lok Sabha speaker is always from Lok Sabha. A minister cannot become chairman of this committee also.

- **Functions**

  The Committee performs the following functions

  1. Reports and Accounts of Public Sector Undertakings (PSUs) are examined by the committee
  2. Comptroller and Auditor General's reports on PSUs is also taken up by this committee
  3. The committee checks upon the credibility of the business of public sector undertakings.
  4. It checks the efficiency and autonomy of PSUs
  5. It performs those functions related to PSUs that are given to it by the Lok Sabha speaker

There are a few functions that the committee on public undertakings is not to perform:

- The committee cannot examine any reports of government related to policies which are not concerned with PSUs.
- It has no role in matters of day-to-day administration.
- The committee also cannot take up reports of any such public sector undertakings which are established by a special statute and for which another machinery is responsible to report.

➢ **Limitations**

The limitations of the Committee on Public Undertakings are given below:

1. There is a cap on the number of PSUs it can examine reports of. The committee cannot take upon reports of more than 10-12 PSUs in a year.
2. It only examines the reports. It has no role in deciding the functioning of PSUs. Hence, its work is only in the nature of a post-mortem.
3. The committee is not concerned with any technical matters of PSUs as there are no technical experts as members of the committee.
4. All the recommendations put forward for by the committee are advisory in nature and ministers are not bounded by any of those.

11.3.4 Audit by Comptroller and Auditor General of India

The control of Parliament over expenditure is complete only when it can assure itself that the funds were spent by the executive for the purposes for which they were granted. This is ensured by the provision of audit of the accounts by an independent-authority, viz. the

Comptroller and Auditor General of India. He audits all expenditures of the union and the States and ascertains whether moneys shown in the accounts as having been disbursed were legally available for and applicable to the purposes for which they have been used. He audits all other accounts of the Centre and the States. He submits his audit report to the President and the Governors to be placed before Parliament and the State legislature. He reports on any waste and inefficiency. ~e comments clearly on matters of accounting or financial principle which are in dispute, transactions where heavy losses have occurred or.might occur, expenditure on new services and departure from settled precedents and procedures. To ensure a thorough audit and full report to the Parliament the Comptroller and Auditor General of India has been given an independent status by the Constitution.



CHECK YOUR PROGRESS

Q.1: When was the Public Accounts Committee established?

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Q.2: Mention two limitations of the Estimates Committee.

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Q.3: Discuss the role of Public Accounts Committee in control of public expenditure.

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11.4 LEGISLATIVE CONTROL OVER EXPENDITURE IN THE UNITED KINGDOM- PUBLIC ACCOUNTS COMMITTEE

11.4.1 Public Accounts Committee

The Committee of Public Accounts (PAC) is the oldest select committee in the House of Commons.

In the United Kingdom, the Committee of Public Accounts is appointed by the House of Commons to examine: "the accounts showing the appropriation of the sums granted to Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the Committee may think fit". This Committee scrutinises the value for money-the economy, efficiency and effectiveness-of public spending and generally holds the government and its civil servants to account for the delivery of public services. As delivery models for public services have changed, so the reach of the Committeehas spread beyond government departments to also examine public bodies and private companies providing public services. It must be noted however that the Committee looks at how rather than why public money has been spent and does not examine the merits of Government policy.

- **Membership**

  The Public Accounts CommitteeCommittee consists of fifteen members, one of whom holds the Ministerial post of Financial Secretary to the Treasury and who, by convention, does not usually attend hearings. The Treasury Officer of Accounts (or an alternate) attends all hearings. The Comptroller and Auditor General is also a permanent witness at hearings and, along with National Audit Office staff, provides briefings on each Committee inquiry and assists in the preparation of the Committee's own reports.

- **Value for money**

  The PAC holds hearings on the accounts of central government departments. It predominantly takes evidence on the Comptroller and Auditor General'svalue for money reports assessing the economy, efficiency and effectiveness with which public money has been deployed in selected areas of public business. The role of the Committee in ensuring value for money in public spending has become all the more important against the backdrop of the austerity measures of the government. In addition to public spending, the Committee has taken an interest in revenue collection, most notably tax avoidance. As the collection and spending of public money present new challenges, the work of the Committee of Public Accounts is vital in protecting the interests of the taxpayer.

  (Source: https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/history-of-committee/)

11.4.2 Audit by Comptroller and Auditor General

The Comptroller and Auditor General (C&AG) in the United Kingdom is an officer of the House of Commons who is the head of the National Audit Office, the body that scrutinises central government expenditure.

The National Audit Office (NAO) uses three criteria to assess the value for money of government spending i.e. the optimal use of resources to achieve the intended outcomes, namely, eeconomy, efficiency and effectiveness. The House of Commons relies on the Comptroller and Auditor General's value for money reports while examining government expenditure.

(Main Source: https://www.nao.org.uk/successful-commissioning/general-principles/value-for-money/assessing-value-for-money/)



CHECK YOUR PROGRESS

Q.4: Which is the oldest Select Committee in the House of Commons?

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Q.5: What is the basic purpose of Public Accounts Committee of the United Kingdom?

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11.5 LEGISLATIVE CONTROL OVER EXPENDITURE IN THE UNITED STATES OF AMERICA- HOUSE OF REPRESENTATIVES' POWER OF THE PURSE AND COMMITTEE ON APPROPRIATIONS

The framers of the American Constitution were unanimous that Congress, as the representatives of the people, should be in control of public funds-not the President or executive branch agencies. Pursuant to Article I of the American Constitution, **"Congress-and in particular, the House of Representatives-is invested with the 'power of the purse,'** the ability to tax and spend public money for the national government." As Elbridge Gerry, a Massachusetts delegate and Vice President, stated at the Federal Constitutional Convention (1787), "the House 'was more immediately the representatives of the people, and it was a maxim that the people ought to hold the purse-strings."

The American Congress is the custodian of federal finances. It controls the national purse. The Bureau of Budget helps the President to prepare the budget. It is presented by President to the Congress. The Congress then passes the budget with all the amendments that it deems fit. It alone has the power to tax. It passes the budget and appropriates the revenue. It decides the quantum of foreign aid that the U.S.A gives to

other states. The Executive is fully dependent upon the Congress for finances needed to run the administration of the state. In the sphere of financial control, the House of Representatives is much more powerful as money bills can only originate in this House. The budget too, has to be introduced in this house first.Both the money bills and the budget mandatorily have to be passed by this house thereafter, these go to the Senate for the final shaping.

The power of the purse plays a critical role in the relationship of the United States Congress and the President of the United States, and has been the main historic tool by which Congress has limited executive power. One of the most prominent examples is the Foreign Assistance Act of 1974, which eliminated all military funding for the government of South Vietnam and thereby ended the Vietnam War. Other recent examples include limitations on military funding placed on Ronald Reagan by Congress, which led to the withdrawal of United States Marines from Lebanon.

11.5.1 The Committee on Appropriations

The Committee on Appropriations was created on December 11, 1865, when the U.S. House of Representatives separated the tasks of the Committee on Ways and Means into three parts.[2] The passage of legislation affecting taxes remained with Ways and Means. The power to regulate bankingwas transferred to the Committee on Banking and Commerce. The power to appropriate money-to control the federal pursestrings (financial resources) -was given to the newly created Appropriations Committee. The constitutional basis for the Appropriations Committee comes from Article one, Section nine, Clause seven of the U.S. Constitution, which says

No money shall be drawn from the treasury, but in consequence of appropriations made by law; and a regular statement and account of receipts and expenditures of all public money shall be published from time to time.

The United States House Committee on Appropriations is a committee of the United States House of Representatives. The committee is responsible for passing appropriation bills along with its Senate counterpart. The bills passed by the Appropriations Committee regulate expenditures of money by the government of the United States. As such, it is one of the most powerful of the committees, and its members are seen as influential. They make the key decisions about the work of their committees-when their committees meet, which bills they will consider, and for how long. The jurisdiction of the committee extends to all matters directly and principally relating to the expenditures of the national government including payment of public indebtedness, creation or abolition and classification of positions in government, and the determination of salaries, allowances and benefits of government personnel. The Appropriations committee is widely recognized by political scientists as one of the "power committees" since it holds the power of the purse. It is one of the exclusive committees of the House, meaning its members typically sit on no other committee. Under House Rules, an exception to this is that five Members of the Appropriations Committee must serve on the House Budget Committee-three for the Majority and two for the Minority. Much of the power of the committee comes from the inherent utility of controlling spending. Its subcommittee chairmen are often called "Cardinals" because of the power they wield over the budget.



CHECK YOUR PROGRESS

Q.7: Which article of the American Constitution vests Congress especially, the House of Representatives with the power of the purse?

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Q.8: "The American Congress is the custodian of federal finances"- Discuss

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Q.9: Discuss the function of the Committee on Appropriations.

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Joint responsibility of the political executive to the Parliament is an essential feature of Parliamentary democracy. The most important control exercised by the Parliament over the executive is its control on the pursestrings. The executive cannot spend any money without authorisation from the Parliament. In all recognised democracies, as we have witnessed in the present chapter, there are appropriate mechanisms in place to control the public exchequer. The Public Accounts Committees and Estimates Committees in India and the UK along with the American Congress delineate an elaborate picture of a well functioning system of legislative control over financial administration in these countries.



11.6 LET US SUM UP

- It is a fundamental principle that a democratically constituted legislature exercises the most important control over the public finances.
- Public Accounts Committee (PAC) is one of the standing parliamentary committees, which was first established in 1921 under the Government of India Act 1919 provisions. This committee examines the *manners and results of spending the public funds.*
- The Public Accounts Committee examines the report of the Comptroller and Auditor General to find out that the money voted by the parliament has been utilised by the government within the scope of the demand.

- Estimates Committee was first established during British Era in 1920s but Independent India's first Estimates Committee was established in 1950. This committee examines the estimates included in the budget and suggests 'economies' in public expenditure.
- Committee on Public Undertakings examines the reports and accounts of the PSUs and the CAG audit reports related to PSUs.
- In the United Kingdom, the Committee of Public Accounts is appointed by the House of Commons to examine: "the accounts showing the appropriation of the sums granted to Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the Committee may think fit".
- The framers of the American Constitution were unanimous that Congress, as the representatives of the people, should be in control of public funds-not the President or executive branch agencies. Pursuant to Article I of the American Constitution, "Congress-and in particular, the House of Representatives-is invested with the 'power of the purse,' the ability to tax and spend public money for the national government."



11.7 FURTHER READING

1) Fadia, B. L., &Fadia, K. (2015). *Public Administration : Administrative theories and Concepts* (12th ed.). Agra, Uttar Pradesh: SahityaBhawan.
2) Sharma, M. P., Sadana, B. L., & Kaur, H. (2013). *Public Administration in Theory and Practice* (49th ed.). Allahabad, Uttar Pradesh: Kitab Mahal.
3) Milakovich, M. E., & Gordon, G. J. (2013). *Public administration in America.* Boston, MA: Wadsworth/Cengage Learning
4) Dahiya, S.S., Singh, Ravindra (2014) *Comparative Public Administration,* New Delhi, Sterling Publishers



11.8 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q. No. 1: 1921

Ans to Q. No. 2: Two limitations of the Estimates Committee-

- The power to examine the budget estimates is not an absolute one. The committee can only examine the budget after it is voted upon and not before that.
- All the recommendations made by the committee are advisory in nature and stand non-binding for the parliament.

Ans to Q. No. 3: Public Accounts Committee (PAC) is one of the standing parliamentary committees, which was first established in 1921 under the Government of India Act 1919 provisions. This committee examines the manners and results of spending the public funds.The function of the Committee is the examination of accounts of the government in all its financial transactions. The committee should satisfy itself:

i) that the moneys shown in the accounts and having been disbursed legally available for and applicable to the service of purpose to which they had been applied or charged;

ii) that the expenditure conforms to the authority which governs it; and

iii) that every reappropriation has been made in accordance with provisions made in this behalf under rules framedd by competent authority.

It shall also be the duty of the Public Accounts Committee:

i) to examine, in the light of the report of the Comptroller and Auditor General, the statement of accounts showing the income and expenditure of state corporations, trading and manufacturing schemes and projects, together with the balance sheets and statements of profit and loss accounts, which the President may have required to be prepared or are prepared under the

provisions of the statutory rules regulating the financing of a particular corporation, trading concern, project;

ii) to examine the statement of accounts showing the income and expenditure of autonomous and semi autonomous bodies, the audit of which may be conducted by the Comptroller and Auditor General of India under the directions of the President or by a statute of Parliament; and

iii) to consider the report of the Comptroller and Auditor General in cases where the president may have required him to conduct an audit of any receipts or to examine the accounts of stores and stocks.

Ans to Q. No. 4: The Committee of Public Accounts (PAC)

Ans to Q. No. 5: In the United Kingdom, the Committee of Public Accounts is appointed by the House of Commons to examine: "the accounts showing the appropriation of the sums granted to Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the Committee may think fit". This Committee scrutinises the value for money-the economy, efficiency and effectiveness-of public spending and generally holds the government and its civil servants to account for the delivery of public services.

Ans to Q. No. 6: Article 1

Ans to Q. No. 7: The American Congress is the custodian of federal finances. It controls the national purse. The Bureau of Budget helps the President to prepare the budget. It is presented by President to the Congress. The Congress then passes the budget with all the amendments that it deems fit. It alone has the power to tax. It passes the budget and appropriates the revenue. It decides the quantum of foreign aid that the U.S.A gives to other states. The Executive is fully dependent upon the Congress for finances needed to run the administration of the state. In the sphere of financial control, the House of Representatives is much more powerful as money bills can only originate in this House.

The budget too, has to be introduced in this house first.Both the money bills and the budget mandatorily have to be passed by this house thereafter, these go to the Senate for the final shaping.

Ans to Q. No. 8: The Committee on Appropriations was created on December 11, 1865, when the U.S. House of Representatives separated the tasks of the Committee on Ways and Means into three parts.[2] The passage of legislation affecting taxes remained with Ways and Means. The power to regulate bankingwas transferred to the Committee on Banking and Commerce. The power to appropriate money-to control the federal pursestrings (financial resources)-was given to the newly created Appropriations Committee. The constitutional basis for the Appropriations Committee comes from Article one, Section nine, Clause seven of the U.S. Constitution, which says"No money shall be drawn from the treasury, but in consequence of appropriations made by law; and a regular statement and account of receipts and expenditures of all public money shall be published from time to time."

The United States House Committee on Appropriations is a committee of the United States House of Representatives. The committee is responsible for passing appropriation bills along with its Senate counterpart. The bills passed by the Appropriations Committee regulate expenditures of money by the government of the United States. As such, it is one of the most powerful of the committees, and its members are seen as influential. They make the key decisions about the work of their committees-when their committees meet, which bills they will consider, and for how long. The jurisdiction of the committee extends to all matters directly and principally relating to the expenditures of the national government including payment of public indebtedness, creation or abolition and classification of positions in government, and the determination of salaries,

allowances and benefits of government personnel. The Appropriations committee is widely recognized by political scientists as one of the "power committees" since it holds the power of the purse.



11.9 POSSIBLE QUESTIONS

Q. 1 : What do you mean by legislative control over expenditure?

Q. 2 : Mention one function of the Estimates Committee of Indian Parliament.

Q. 3 : Mention one function of the Committee on Public Undertakings

Q. 4 : What do you mean by power of the purse?.

Q. 5 : Limitations of the Public Accounts Committee of the Indian Parliament..

Q. 6 : Write short notes on (a) Committee on Public Undertakings of the Indian Parliament (b) Dissimilarities between Public Accounts Committee and Estimates Committee of the Indian Parliament

Q. 7 : Examine the role of Committee of Public Accounts of the British House of Commons.

Q. 8 : Discuss the mechanisms of legislative control over expenditure in India.

Q. 9 : Discuss thescenario of legislative control over expenditure in U.S.A and U.K.

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UNIT 12: ADMINISTRATIVE REFORMS IN INDIA AND THE UK

UNIT STRUCTURE

11.1 Learning Objectives

12.2 Introduction

12.3 Administrative Reforms in India before Independence

- 12.3.1 Macaulay Committee (1854)
- 12.3.2 Aitchison Commission (Public Service Commission) (1886)
- 12.3.3 Islington Committee (1912)
- 12.3.4 Montagu-Chelmsford Report (1918)
- 12.4.5 Lee Commission (1923)

12.4 Administrative Reforms in India after Independence

- 12.4.1 First Administrative Reforms Commission (ARC), 1966
- 12.4.2 Second Administrative Reforms Commission (ARC), 2005

12.5 Administrative Reforms in the UK (Citizen's Charter)

- 12.5.1 Committee on the Civil Service or Fulton Committee
- 12.5.2 Next Step Agencies (Executive Agencies)
- 12.5.3 Citizen's Charter

12.6 Let Us Sum Up

12.7 Further Reading

12.8 Answers to Check Your Progress

12.9 Possible Questions

12.1 LEARNING OBJECTIVES

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

- discuss the various initiatives in the pre-indepdence period to bring about administrative reforms in India with reference to the Macaulay Committee (1854); Aitchison Commission (Public Service

Commission) (1886); Islington Committee (1912); Montagu-Chelmsford Report (1918); and Lee Commission (1923)

- discuss the matter of administrative reforms in India after Independence
- explain the First Administrative Reforms Commission (ARC), 1966 and the Second Administrative Reforms Commission (ARC), 2005
- discuss the matter of administrative reforms in the UK with reference to the Committee on the Civil Service or Fulton Committee; Next Step Agencies (Executive Agencies); and Citizen's Charter

12.2 INTRODUCTION

In the field of public administration, the administrative apparatus of any country must remain ever capable of responding to and coping with the changing needs and aspirations of the society. In developing countries, the existing administrative system was traditionally geared to suit the needs of the erstwhile colonial government which is why there is always a constant need for administrative reforms in these countries. Again, globalisation and liberalisation have also necessitated administrative reforms. As a matter of fact, the administrative machinery of even developed countries must remainupdated to be able to respond effectively the needs and exigenciesof the changing timers. Thus, administrative reforms are necessary for both developing and developed countries. Accordingly, we shall discuss in this unit the administrative reforms in India and the UK.

12.3 ADMINISTRATIVE REFORMS IN INDIA BEFORE INDEPENDENCE

Before the independence of India many bodies were constituted by the British rulers starting from the era of the East India Company with a view to suggest certain reforms in the prevailing administrative system from time to time. Let us discuss some such reforms recommended by different committees and reports:

- **Macaulay Committee (1854) :**

  Until 1854 civil servants for the East India Company used to be nominated by the Directors of the Company and then sent to India. A committee was constituted by the British Governmentin 1854 under the chairmanship of Lord Macaulaywith regard to public servicesin India. Following Lord Macaulay's Report of the Select Committee of British Parliament, the concept of a merit based modern Civil Service in India was introduced in 1854. Lord Macaulay's Report recommended that patronage based system of East India Company should be replaced by a permanent Civil Service based on a merit based system with entry through competitive examinations. For this purpose, a Civil Service Commission was setup in 1854 in London and competitive examinations were started in 1855. Initially, the examinations for Indian Civil Service were conducted only in London. Maximum age was 23 years and minimum age was 18 years. The syllabus was designedin such a way that European Classics had a predominant share of marks. All this made it difficult for Indian candidates to be successful in the examinations. Nevertheless, in 1864, the first Indian, Shri Satyendranath Tagore brother of Shri Rabindaranath Tagore succeeded. Subsequently, three years later four other Indians succeeded. (Source: https://www.upsc.gov.in/sites/default/files/History%20of%20the%20Commission%20final%20%281%29_0.pdf)

- **Aitchison Commission (Public Service Commission) (1886) :**

  The Aitchison Commission (Public Service Commission) was set up in 1886 under the chairmanship of Sir Charles Umpherston Aitchison to recommend a scheme for providing opportunities to Indians to find employment in the higher public service and for investigating the overall problems of the civil services in India. It made the following recommendations in its report submitted in 1887:

  1. The two-tier classification of civil services into covenanted and uncovenanted should be replaced by a three-tier classification-Imperial, provincial and subordinate civil services.

2. The minimum and maximum age limitsfor entry into civil services should be 19 and 23 years respectively.
3. The statutory civil service system of recruitment should be abolished.
4. The competitive exam should not be held simultaneously in England and India.
5. Certain percentage of posts in the imperial civil service should be filled by promotion of the members of provincial civil service.

The above recommendations of the Aitchison Committee were accepted and the covenanted civil service came to be known as Civil Service of India. The provincial service was called after the particular province.

- **Islington Committee (1912)**

  Indians still petitioned for civil service examinations to be heldsimultaneously in both London and India and demanded a greater share in public services. Subsequently, the British Government set up a Royal Commission on Public Services In India underLord Islington in 1912. It recommended the following among other things:

  1. 25 per cent of the posts in the superior civil service should be filledfrom among Indians, partly by direct recruitment and partly bypromotion.
  2. The examination for the recruitment of civil servants should be held in India.

- **Montagu-Chelmsford Report (1918)**

  However, it was only after the First World War and the Montagu-Chelmsford reforms that the demand for holding simultaneous civil service examinations in both London and India was agreed to. In 1918 the Montagu-Chelmsford Report proposed that :

  1. India should be the venue for conducting examination for 33 percent of the superior posts and that this percentage should increase by 1.5 per cent annually.
  2. There should be no racial discrimination in matter of appointment.

3. There must be a system of appointment in India for all those publicservices for which there was recruitment in England, open to Europeansand, Indians alike.

These proposals were accepted and became the basis of appointment for about ten years.

From 1922 onwards the Indian Civil Service Examination began to be held in India also, first in Allahabadand later in Delhi with the setting up of the Federal Public Service Commission in the subsequent years.

The Examination in London continued to be conducted by the Civil Service Commission.

- **The Lee Commission (1923)**

  The Royal Commission on the Superior Civil Services in India under Lord Lee was appointed in 1923. The Leecommission submitted its report in 1924. The major recommendations of the Lee Commission were as follows:

  (i) 40% of future entrants to the civil services in India should be British and the rest of the 80% should be Indians with 40% Indians directly recruited and 20% Indians promoted from the provincial services.

  (ii) A Public Service Commission with five full-fledged members should be appointed immediately.

The government accepted most of the Lee Commission Recommendations. Accordingly, the first Public Service Commission was set up on 1stOctober, 1926 under the chairmanship of Sir Ross Barker. Subsequently, a Federal Public Service Commission was established under the Government of India Act, 1935.



CHECK YOUR PROGRESS

Q.1: Mention any two recommendations of theAitchison Commission.

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.....

Q.2: Lord Macaulay's Report recommended that patronage based system of East India Company should be replaced by a permanent Civil Service based on a merit based system with entry through competitive examinations. (True/False)

.....

12.4 ADMINISTRATIVE REFORMS IN INDIA AFTER INDEPENDENCE

Since independence, several commissions and committees were set up at the central level with a view to bring about reforms in the administrative structures and processes. Some of these committees are the Secretariat Reorganisation Committee, 1947; the Economy Committee,1948; the Ayyangar Committee, 1949; and the Gorwala Report, 1951; to name a few. Besides these committees , some commissions were also set up so as to bring about administrative reforms such as the Administrative Reforms Commission , 1966; and the Second Administrative Reforms Commission, 2005 in order to make the administrative system ever responsive to challenges and changes. It is worthwhile to mention here that the First Administrative Reforms Commission (1966) and the Second Administrative Reforms Commission (2005) are very crucial inthe context of the efforts on the part of the Union Government to bring about reforms in the administrative structures and practices in India.

Let us therefore discuss the First Administrative Reforms Commission (1966) and the Second Administrative Reforms Commission (2005).

12.4.1 First Administrative Reforms Commission (ARC), 1966

OnJanuary 5, 1966,the Ministry of Home Affairs under the Government of India constituted the First Administrative ReformsCommission (ARC), for giving recommendations for the purpose of reviewing the public administrative system in India.This

commission was initially chaired by Morarji Desai, but when Morarji Desai became the Deputy Prime Minister of India, the charge was handed over to K.Hanumanthaiah to chair the commission. The basic purpose of setting up the ARC was to consider certain aspects relating to public administration in India and to bring about desired changes in the areas mentioned below-

A) Centre-State relationship

B) The mechanism for planning at all levels

C) Financial and economic administration

D) State level as well as district administration

E) Mechanismfor redressal of public grievances

F) The machinery of the Government of India and its procedure of work

G) Agricultural administration

Based on the above mentioned subjects the ARC, 1966 submitted 20 reports in all with 537 major recommendations ,some of which are as follows:

a) Unified grading structure in administration based on qualification and nature of duties and responsibilities.

b) Recruitment for Class I services should be made on the basis of single competitive examination with the age limit being raised to 26 years.

c) Discontinuation of direct recruitment to Class II services.

d) To recruit clerical staff, the nature of examination should be based on asimple objective type test.

e) Recruitment in certain posts under central government to be made from amongst the state government employees.

f) The commission recommended the maximum number of ministers in the union cabinet should be 16 including the Prime Minister and that the strength of the Council of Ministers should be 40 and in no case should exceed 45.

g) The commission also recommended the abolition of the office of the parliamentary secretaries and suggested that the three tier system of the ministerial set up to be constituted.

h) A new post of Deputy Prime Ministeris created to provide institutional supprot to the office of the Prime Minister.

i) A policy advisory committee should be constituted to assist each and every department so as to formulate all long term policies of major importance.

j) The ARC, 1966 also recommended the establishment of a civil service tribunal for hearing appeals from government employees against major punishments.

➢ **Implementation of the Recommendations of the ARC, 1966**

Most of the recommendations made by the ARC was of a procedural nature. In consonance with these recommendations, the government implemented some and accordingly certain measures were taken, such as-

(a) The government consented to introduce the desk officer system of staffing and functioning in the central secretariat.

(b) The government also accepted the recommendations of raising the upper age limit for competitive examinations from 24 to 26 years.

(c) The government also accepted the recommendations of recruiting Class I engineering posts through competitive examinations and not through interview.

The ARC of 1966 deserves appreciation for playing a significant role in terms of suggesting measures for making an attempt to raise the standards of efficiency and integrity in public administration.

12.4.2 Second Administrative Reforms Commission (ARC), August 31, 2005

The Second Administrative Reforms Commission (ARC), 2005 was constituted on August 31, 2005 by the Government of India with

the basic purpose of preparing a detailed blueprint for revamping the public administrative systemin view of the changed circumstances of the modern day world.The commission was chaired by VeerappaMoily, former Chief Minister of Karnataka with several other members. The commission was given the responsibility for suggesting a sustainable and accountable government, which also at the same time is proactive, efficient and responsive. The commission was asked to suggest recommendations on the following areas of administration, namely, organisational structure of the government, matters relating to federal polity, crisis management ,measures relating to effective district administration, local-self government,citizen centric administration , strengthening of financial management systems, social capital, ethics in government and refurbishing of personnel administration.

The commission was however directed to exclude from its purview to make recommendations in matters related to military, defence, railways, external affairs, security and intelligence, centre-state relations, judicial reforms, etc. Based on the subjects mentioned above, the commission presented 12 reports for consideration. Some of the recommendations of ARC, 2005 are mentioned below:

- Setting up an effective mechanism for redressal of citizens' grievances in terms of effective implementation of the Right to Information Act, 2005.
- Devising a mechanism for meeting crisis situations arising out of natural and man-made disasters.
- Undertaking measures to ensure justice for each and peace for all.
- To usher in ethics in governance.
- To focus on the need for effective decentralisation of democratic polity.
- To undertake effective steps for reducing conflicts and adopting strategies for peace resolution.
- Promoting e-governance.
- Recommendations for combating terrorism.

- To undertake measures for improving social capital.
- Recommendations were made in matters relating to recruitment, training, placement of civil servants.
- To device mechanisms for setting up special institutions at national and state commissions so as to safeguard the rights of the vulnerable sections of the society.
- To strengthen financial management system.
- Recommendations were made relating to maintenance of public order and ensuring justice for each.
- Recommendations were made for reforming the structure of the government in India so as to make the administrative system proactive, efficient as well as flexible.
- To undertake measures by the state as well as district administration,so as to keep pace with modernisation, encourage people's participation, effective grievance handling system etc.

In view of the recommendations of the ARC 2005 as stated above,the Government of India constituted a Group of Ministers (GoM) on March 30, 2007, to consider the recommendations of the ARC, 2005 and to implement the same, after due process of review. The decisions made by theGoMwith respect to these reports are at various stages of implementation.



CHECK YOUR PROGRESS

Q.3: In which year did the Ministry of Home Affairs under the Government of India constituted the First Administrative ReformsCommission (ARC).

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Q.4: The Administrative Reforms Commission, 2005 recommended setting up an effective mechanism for redressal of citizens' grievances in terms of effective implementation of which Act ?

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12.5 ADMINISTRATIVE REFORMS IN THE UK (CITIZEN'S CHARTER)

Let us discuss the matter of Administrative Reforms in the UK :

12.5.1 Committee on the Civil Service or Fulton Committee

On 8th February, 1966, the Committee on the Civil Service was appointed under the chairmanship of Lord Fulton 'to examine the structure, recruitment and management, including training, of the Home Civil Service, and to make recommendations'. The committee became known as the Fulton Committee after the name of the chairman of the committee.

➢ **The Findings of the Fulton Committee**

In the first chapter of the its Report, the Fulton Committee stated that the Civil Service of the day was fundamentally the product of the nineteenth-century philosophy produced by the Northcote-Trevelyan Report; whereas the tasks the Civil Service faced were those of the twentieth century. The findings of the Fulton Committee were as follows :

(a) The Civil Service was essentially based on the cult of the amateur or generalist. This feature was most evident in the administrative class which dominated the service. Administrative class officials were regarded as amateur because they were moved too frequently from job to job and had no specific professional education or formal training for their work.

(b) The system of classes impeded the work of the Civil Service. The Fulton Committee was critical of the classification system, which it considered had caused the Civil Service to become rigid and had made it difficult for staff to move among the various classes. The Committee also took the view that the word 'class' in Britain had developed social

connotations which could produce feelings of inferiority. As an alternative, the Committee proposed occupational 'groups' and 'categories', together with a simplified pay structure.

(c) Many scientists, engineers and other professional specialists were not given the responsibility or authority they deserved. The Committee therefore recommended that these specialists be given more policy-making and management opportunities, and training to equip them for their new work. The Committee recommended the creation of a new Civil Service College to provide this training and to meet the other training needs identified in the report.

(d) The Committee considered that the Civil Service lacked skilled managers. To improve management skills, the Committee recommended that administrators should become more specialised, and more training in management should be given to scientists and specialists. The Committee also recommended that the principles of 'accountable management' be introduced.To improve management even further, the Committee recommended several more innovations: the establishment of a new Civil Service Department; the creation of a management services unit in each department to promote new management techniques; a planning and research unit to undertake major long term planning; and the creation of departmental planning units to acquire facts and to consider and administer policy. The head of the planning unit would be the Senior Policy Adviser to the Minister.

(e) The Committee considered that there was not enough contact between the Civil Service and the rest of the community. This was partly because Civil Servants were expected to spend their entire working lives in the Service, and partly

because the administrative process was surrounded by too much secrecy. The Committee therefore recommended greater openness in Government, less anonymity for officials, and greater mobility of staff into and out of the service. They recommended the use of short term appointments, temporary interchange with industry and commerce, and more flexible pension arrangements.

(f) The Committee also took the view that within the Civil Service there were major defects in personnel management. There was not enough career planning, and communication was bad between the Civil Service Commission, departmental establishment divisions and the Treasury. The Committee therefore recommended the creation of a new Civil Service Department, within which the Civil Service Commission would continue to operate, and the adoption of new recruitment procedures for administrators and high fliers.

(Source: https://publications.parliament.uk/pa/ld199798/ldselect/ldpubsrv/055/psrep05.htm)

12.5.2 Next Steps Agencies (Executive Agencies)

One of the far reaching reforms in public administration practices in the UK has been the establishment of "Next Steps" (now referred to as executive agencies) . In 1987, the British government published a report entitled "Improving Management in Government: The Next Steps". Under the reforms suggested by the report, the civil service was disaggregated into a series of distinct agencies, each responsible for delivering a particular public service. These agencies (first referred to as Next Steps agencies, but now described as executive agencies) would be responsible to the respective ministries of government. These agencies work as business units within the government departments with the sole purpose of delivering services , either directly to citizens or to

business or to other public sector organisations. Thus, the Next Step agencies in the UK have provided a framework for new public management ensuring increasing efficiency and accountability in the delivery of public services.

12.5.3 The Citizen's Charter

The Citizen's Charter was an initiative launched in 1991 by the then British Prime Minister John Major as part of his 'commitment to quality' public sector reform agenda.

- **Importance of Citizen's Charter**

1. To make administration accountable and citizen friendly.
2. To ensure transparency.
3. To take measures to improve customer service.
4. To adopt a stakeholder approach.
5. To save time of both Administration and the citizen.

- **Principles of the Citizens' Charter**

The six principles of the Citizens' Charter movement as originally framed were:

1. Quality: Improving the quality of services
2. Choice: Wherever possible
3. Standards: Specify what to expect and how to act if standards are not met
4. Value: For the taxpayers' money
5. Accountability: Individuals and Organisations
6. Transparency: Rules/ Procedures/ Schemes/Grievances

Subsequently, the above principles were elaborated by the Labour Government as following nine principles of Service Delivery (1998):

1. Set standards of service
2. Be open and provide full information

3. Consult and involve
4. Encourage access and the promotion of choice
5. Treat all fairly
6. Put things right when they go wrong
7. Use resources effectively
8. Innovate and improve
9. Work with other providers

(Source: https://www.civilsdaily.com/citizens-charter-importance-objective-features-problems-faced-in-implementation-guidelines/)

The Citizen's Charter programme sought to bring about a sustained focus on customer service and improved quality in public services. It was a drive for greater openness and for transparency around performance standards and measures.

(http://www.statskontoret.se/globalassets/publikationer/2000-2005-english/200123.pdf)



CHECK YOUR PROGRESS

Q.5: Mention any two findings of the Fulton Committee with regard to the functioning of the civil service.

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Q.6: Mention the six principles of the Citizens' Charter movement as originally framed.

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12.6 LET US SUM UP

- Before the independence of India many bodies were constituted by the British rulers starting from the era of the East India Company with a view to suggest certain reforms in the prevailing administrative system from time to time. Let us discuss some such reforms recommended by different committees and reports:
- Until 1854 civil servants for the East India Company used to be nominated by the Directors of the Company and then sent to India. A committee was constituted by the British Government in 1854 under the chairmanship of Lord Macaulay with regard to public services in India.
- Following Lord Macaulay's Report of the Select Committee of British Parliament, the concept of a merit based modern Civil Service in India was introduced in 1854. Lord Macaulay's Report recommended that patronage based system of East India Company should be replaced by a permanent Civil Service based on a merit based system with entry through competitive examinations.
- For this purpose, a Civil Service Commission was setup in 1854 in London and competitive examinations were started in 1855. Initially, the examinations for Indian Civil Service were conducted only in London.
- The Aitchison Commission (Public Service Commission) was set up in 1886 under the chairmanship of Sir Charles Umpherston Aitchison. Some of the following recommendations of the Commission include : the two-tier classification of civil services into covenanted and uncovenanted should be replaced by a three-tier classification- Imperial, provincial and subordinate civil services; the minimum and maximum age limits for entry into civil services should be 19 and 23 years respectively, etc.

- The recommendations of the Aitchison Committee were accepted and the covenanted civil service came to be known as Civil Service of India. The provincial service was called after the particular province.
- The British Government set up a Royal Commission on Public Services In India under Lord Islington in 1912. It recommended among others : 25 per cent of the posts in the superior civil service should be filled from among Indians, partly by direct recruitment and partly by promotion; the examination for the recruitment of civil servants should be held in India.
- In 1918 the Montagu-Chelmsford Report was submitted and some of its recommendations included: India should be the venue for conducting examination for 33 per cent of the superior posts and that this percentage should increase by 1.5 per cent annually; there must be a system of appointment in India for all those public services for which there was recruitment in England, open to Europeans and, Indians alike; etc.
- These proposals were accepted and became the basis of appointment for about ten years.
- From 1922 onwards the Indian Civil Service Examination began to be held in India also, first in Allahabad and later in Delhi with the setting up of the Federal Public Service Commission in the subsequent years. The Examination in London continued to be conducted by the Civil Service Commission.
- The Royal Commission on the Superior Civil Services in India under Lord Lee was appointed in 1923. The Lee commission submitted its report in 1924. The major recommendations of the Lee Commission were:40% of future entrants to the civil services in India should be British and the rest of the 80% should be Indians with 40% Indians directly recruited and 20% Indians promoted from the provincial services; a Public Service Commission with five full-fledged members should be appointed immediately.

- The government accepted most of the Lee Commission Recommendations. Accordingly, the first Public Service Commission was set up on 1st October, 1926 under the chairmanship of Sir Ross Barker. Subsequently, a Federal Public Service Commission was established under the Government of India Act, 1935.
- Since independence, several commissions and committees were set up at the central level with a view to bring about reforms in the administrative structures and processes. The First Administrative Reforms Commission (1966) and the Second Administrative Reforms Commission (2005) are very crucial in the context of the efforts on the part of the Union Government to bring about reforms in the administrative structures and practices in India.
- The First Administrative Reforms Commission (ARC), for giving recommendations for the purpose of reviewing the public administrative system in India. This commission was initially chaired by Morarji Desai, but when Morarji Desai became the Deputy Prime Minister of India, the charge was handed over to K.Hanumanthaiah to chair the commission.
- The basic purpose of setting up the ARC was to consider certain aspects relating to public administration in India and to bring about desired changes in the areas such as - centre-state relationship; the mechanism for planning at all levels; financial and economic administration; state level as well as district administration; mechanism for redressal of public grievances, etc.
- Based on the above mentioned subjects the ARC, 1966 submitted 20 reports in all with 537 major recommendations.
- The Second Administrative Reforms Commission (ARC), 2005 was constituted on August 31, 2005 by the Government of India with the basic purpose of preparing a detailed blueprint for revamping the public administrative system in view of the changed circumstances of the modern day world. The commission was chaired by VeerappaMoily, former Chief Minister of Karnataka with several other members.

- The commission was given the responsibility for suggesting a sustainable and accountable government, which also at the same time is proactive, efficient and responsive. The commission was asked to suggest recommendations such areas of administration as organisational structure of the government, matters relating to federal polity, crisis management ,measures relating to effective district administration, local-self government, citizen centric administration , etc.
- The commission was however directed to exclude from its purview to make recommendations in matters related to military, defence, railways, external affairs, security and intelligence, centre-state relations, judicial reforms, etc. Based on the subjects mentioned above, the commission presented 12 reports for consideration.
- In view of the recommendations of the ARC 2005 as stated above, the Government of India constituted a Group of Ministers (GoM) on March 30, 2007, to consider the recommendations of the ARC, 2005 and to implement the same, after due process of review. The decisions made by the GoM with respect to these reports are at various stages of implementation.
- On 8th February, 1966, the Committee on the Civil Service was appointed under the chairmanship of Lord Fulton 'to examine the structure, recruitment and management, including training, of the Home Civil Service, and to make recommendations'. The committee became known as the Fulton Committee after the name of the chairman of the committee.
- Some of the findings of the Fulton Committee included: the Civil Service was essentially based on the cult of the amateur or generalist.; the system of classes impeded the work of the Civil Service. As an alternative to the word "class" , the Committee proposed occupational 'groups' and 'categories', together with a simplified pay structure; Many scientists, engineers and other professional specialists were not given the responsibility or authority they deserved. ; the Committee considered that the Civil Service lacked skilled managers, etc.

- In 1987, the British government published a report entitled "Improving Management in Government: The Next Steps". Under the reforms suggested by the report, the civil service was disaggregated into a series of distinct agencies, each responsible for delivering a particular public service. These agencies (first referred to as Next Steps agencies, but now described as executive agencies) would be responsible to the respective ministries of government and work as business units within the government departments with the sole purpose of delivering services
- in 1991 by the then British Prime Minister John Major as part of his 'commitment to quality' public sector reform agenda to make administration accountable and citizen friendl; to ensure transparency; to take measures to improve customer service; to adopt a stakeholder approach; to save time of both Administration and the citizen.
- The six principles of the Citizens' Charter movement as originally framed were: Quality; Choice; Standards; Value; Accountability; Transparency.
- Subsequently, the above principles were elaborated by the Labour Government.



12.7 FURTHER READING

1) Bhattacharya, Mohit. 2007. *Public Administration*. Kolkata : The World Press Private Ltd.
2) Mehta, Vinod. 2000. *Reforming Administration in India*. Har-Anand Publications.



12.8 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q. No. 1: (a) The two-tier classification of civil services into covenanted and uncovenanted should be replaced by a three-tier classification-Imperial, provincial and subordinate civil services.

(b) The minimum and maximum age limits for entry into civil services should be 19 and 23 years respectively.

Ans to Q. No. 2: True

Ans to Q. No. 3: 1966

Ans to Q. No. 4: Right to Information Act, 2005

Ans to Q. No. 5: (a) The system of classes impeded the work of the Civil Service. The

Fulton Committee was critical of the classification system, which it considered had caused the Civil Service to become rigid and had made it difficult for staff to move among the various classes. The Committee also took the view that the word 'class' in Britain had developed social connotations which could produce feelings of inferiority. As an alternative, the Committee proposed occupational 'groups' and 'categories', together with a simplified pay structure.

(b) The Committee considered that the Civil Service lacked skilled managers. To improve management skills, the Committee recommended that administrators should become more specialised, and more training in management should be given to scientists and specialists. The Committee also recommended that the principles of 'accountable management' be introduced.

Ans to Q. No. 6: 1) Quality

2) Choice

3) Standards

4) Value

5) Accountability

6) Transparency



12.9 POSSIBLE QUESTIONS

Q. 1 : Write briefly about the Macaulay Committee (1854).

Q. 2 : Write briefly about the recommendations of the Lee Commission (1923).

Q. 3 : Mention four recommendations of ARC, 1966.

Q. 4 : Mention four recommendations of ARC, 2005.

Q. 5 : Write briefly about the Next Step agencies (executive agencies) in the UK.

Q. 6 : Discuss the Citizen's Charter in the UK.

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UNIT 13: ETHICS IN ADMINISTRATION (INDIA, UK)

UNIT STRUCTURE

11.1 Learning Objectives

13.2 Introduction

13.3 Integrity, Transparency and Accountability - Principles and Practice : India

13.3.1 Integrity in Administration in India: Framework and Provisions

13.4.2 Transparency and Accountability in Administration in India

13.4 Integrity, Transparency and Accountability - Principles and Practice : The UK

13.4.1 Integrity in Administration in the United Kingdom

13.4.2 Transparency and Accountability in Administration in the United Kingdom

13.5 Let Us Sum Up

13.6 Further Reading

13.7 Answers to Check Your Progress

13.8 Possible Questions

13.1 LEARNING OBJECTIVES

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

- explain the meaning of integrity in administration
- explain the meaning of transparency and accountability in administration
- examine the legal framework to maintain that exists in India and the Untied Kingdom to maintain integrity in administration
- discuss the issues of transparency and accountability in administration in India and the UK.

13.2 INTRODUCTION

The concepts of integrity, transparency and accountability are very important in administration of a country. Good governance can be ensured by maintaining integrity, transparency and accountability in administration. In this unit we shall discuss the issues of integrity, transparency and accountability in administration in India and the United Kingdom.

13.3 INTEGRITY, TRANSPARENCY AND ACCOUNTABILITY - PRINCIPLES AND PRACTICE : INDIA

13.3.1 Integrity in Administration in India : Framework and Provisions

- **Meaning of Integrity**

  The dictionary meaning of the term Integrity is "soundness of moral principles; the character of uncorrupted virtue; uprightness; honesty; sincerity." Integrity is, in fact, most essential attribute of good governance. Usually the principle of integrity demands that a professional exercise his or her tasks adequately, carefully and responsibly, taking into account all relevant interests. Some theorists have stressed that the term integrity refers to strict adherence of the principles of incorruptibility, honesty, impartiality and accountability. Deviation from moral standards or lack of integrity in public officials may take various shapes in the form of corruption, patronage (based on communalism, sectarianism, nepotism and favoritism etc.) and undue influence. Anyone wasting public money lacks integrity. Similarly a person who personalizes the power and authority he or she wields in his or her official capacity is also called as lack of integrity. Thus, in general, lack of integrity stands for deliberate and intentional exploitation of one's position, status or resources, directly or

indirectly, for personal aggrandizement, whether it be in terms of material gain or enhancement of power, prestige or influence beyond what is legitimate or sanctioned by commonly accepted norms to the detriment of the interests of other persons or the community as a whole.

- **Existing Legal Framework to maintain integrity in administration in India**

  The following enactments and institutional arrangements have been provided in India to investigate corruption cases and take legal action:

  (i) The Indian Penal Code, Section 161

  ii) The Prevention of Corruption Act, 1947

  iii) Government Servants Conduct Rules

  iv) Central Vigilance Commission (CVC)

  v) State Vigilance Commission

  vi) Central Bureau of Investigation (CBI)

  vii) Lokpal and Lok Ayuktas in State

- **The Prevention of Corruption Act 1947:** The Prevention of Corruption Act, 1947 defines the following acts as the offence of criminal misconduct in the discharge of his or her duty by the public servants and subject to rigorous imprisonment-

  a) If he/she habitually accepts or obtains or agrees to accept for himself/herself or attempts to obtain from any person for himself or for any other person, any gratification (other than legal remuneration) as a motive or reward as mentioned in Section 161 of the Indian Penal Code;

  b) If he/she habitually accepts or obtains or agrees to accept or attempts to obtain for himself/herself or for any other person, any valuable thing without consideration or for a consideration which he/she knows to be inadequate from any person whom he/she knows to have been, or to be

likely to be concerned in any proceeding or business transacted or about to be transacted by him/her, or having connection with the official functions of himself/herself or of any public servant to whom he/she is subordinate, or from any person whom he/she knows to be interested in or related to the person concerned;

c) If he/she dishonestly or fraudulently misappropriates or, otherwise abuses his/her position as a public servant, obtains for himself/herself or any other person any valuable thing or pecuniary advantage.

The Prevention of Corruption Act, 1947 was amended in 1988 to tighten its provisions. The term 'public servant' is now more broadly defined which includes elected representatives like ministers and members of the Parliament.

- **Civil Service Conduct Rules:**

The Government servants (Central as well as State) are abide by the Conduct Rules i.e. All-India Service (Conduct) Rules 1954, Central Civil Services (Conduct) Rules, 1955 etc. The Government has also made rules or issued instructions from time to time for the public servants.

- **Central Bureau of Investigation (CBI):**

To deal with the issue of corruption of civil servants the Delhi Special Police Establishment Act, 1946 set up the Special Police Establishment. In 1963 the Central Bureau of Investigation (CBI) was established replacing the Special Police Establishment.

The CBI is headed by a Director who is assisted by additional directors, joint directors, superintendents of police, deputy superintendents of police and others. Today CBI deals with three broad categories of criminal cases, such as- crimes of corruption, economic crimes including frauds, special crimes such as terrorism, bomb blasts.

- **Central Vigilance Commission (CVC):**

  The Central Vigilance Commission (CVC) was formed in 1964 to act as the watchdog organisation to check corruption and promote integrity in the government services. The CVC is entrusted with the following main functions:

  1. The Commission undertakes inquiry into any transaction in which a public servant is suspected or alleged to have acted for an improper purpose or in a corrupt manner.
  2. To investigate into any complaint against a civil servant who has exercised or refrained from exercising his or her powers against improper or corrupt purposes, and any complaint of corruption, misconduct, lack of integrity or other kind of malpractices on the part of a public servant.
  3. To initiate a review of procedures and practices of administration relating to the maintenance of integrity in administration.
  4. To ask for reports from other agencies to exercise check and supervision over the vigilance and anti-corruption work.
  5. The Commission has been authorised to take over under its direct control complaints for further action. Such action can pertain to either a) to ask the CBI to register a regular case and investigate it, or b) to enlist it for enquiry by the CBI or the agency concerned.

- **Lokpal and Lok Ayuktas:**

  The Government of India passed the Lokpal Bill in 2013 and came into effect from 16th January 2014. Lokpal and Lokayukta institutions are mandated to check the corruption at the higher levels of administration which includes Ministers also.

  - **Jurisdiction of the Lokpal:**

    Jurisdiction of Lokpal include Prime Minister, Ministers, Members of Parliament, Groups A, B, C and D officers and officials of Central Government. The Lokpal shall inquire

any matter involved in, or arising from, or connected with, any allegation of corruption made in a complaint in respect of the following, namely:-

(a) Prime Minister, provided any such allegation of corruption against the Prime Minister shall not related to international relations, external and internal security, public order, atomic energy and space.

(b) Minister of the Union Government.

(c) Member of either House of Parliament.

(d) any Group 'A' or Group 'B' officer or equivalent or above, from amongst the public servants defined in sub-clauses (i) and (ii) of clause (c) of section 2 of the Prevention of Corruption Act, 1988 (49 of 1988) when serving or who has served, in connection with the affairs of the Union.

(e) any Group 'C' or Group 'D' official or equivalent, from amongst the public servants defined in sub-clauses (i) and (ii) of clause (c) of section 2 of the Prevention of Corruption Act, 1988 (49 of 1988) when serving or who has served in connection with the affairs of the Union.

(f) any person who is a chairperson or member or officer or employee in any body or board or corporation or authority or company or society or trust or autonomous body (by whatever name called) established by an Act of the Parliament or wholly or partly financed by the Central Government or controlled by it.

(g) any person who is or has been a director, manager, secretary or other officer of every other society or association of persons or trust (whether registered under any law for the time being in force or not), by whatever name called, wholly or partly financed by the Government and the annual income of which exceeds such amount as the Central Government may, by notification, specify;

(h) any person who is or has been a director, manager, secretary or other officer of every other society or association of persons or trust (whether registered under any law for the time being in force or not) in receipt of any donation from any foreign source under the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) in excess of ten lakh rupees in a year or such higher amount as the Central Government may, by notification, specify.

The Lokpal will inquire into any act or conduct of any person if such person is involved in the act of abetting, bribe giving or bribe taking or conspiracy relating to any allegation of corruption under the Prevention of Corruption Act, 1988.

❍ **Powers of Lokpal:**

The Lokpal has following powers:

(i) It has supervisory powers and can give direction to CBI.

(ii) If it has referred a case to CBI, the investigating officer in such case cannot be transferred without approval of Lokpal.

(iii) It has powers to authorise the CBI for search and seizure operations connected to such case.

(iv) The Inquiry Wing of the Lokpal has been vested with the powers of a civil court.

(v) Lokpal has powers of confiscation of assets, proceeds, receipts and benefits arisen or procured by means of corruption in special circumstances.

(vi) Lokpal has powers to recommend transfer or suspension of public servant connected with allegation of corruption.

(vii) Lokpal has power to give directions to prevent destruction of records during preliminary inquiry.

Lok Ayuktas are the institutions for the States to deal with corruption. Some states governments have set up the Lokayuktas. They have their own investigating machinery and have jurisdiction over the ministers.

Some Suggested Remedies for Maintaining Integrity in Administration

The Santhanam Committee recommended the following important measures for prevention of corruption:

a) Greater care should be taken in selecting officers for appointment to higher administrative posts.

b) Promotion to higher and more responsible positions should be guided by the consideration of integrity of the personnel.

c) Enquiry-cum-reception offices should be established to promptly identify the problems of corruption.

d) A clear distinction should be made as to what information should be treated secret and what should be made freely available to the public.

e) The annual confidential reports should include a column for the comments of the superiors on the integrity of the officer.

f) Ban on government servants accepting private, commercial and industrial employment for a period of two years after retirement.

g) Widespread publicity of dismissals and removal and compulsory retirement of corrupt officers should be made.

Some other suggestions given by different scholars for maintain integrity in administration are - simple laws and administrative procedures, better pay structure and strict supervision of official, strict and quicker punishment for the improper use of public authority, restructuring and re-orienting the government machinery, enhancing public awareness etc.

12.3.2 Transparency and Accountability in Administration in India

Transparency in administration is needed to bring accountability of the civil servants. In fact, transparency is closely associated with the accountability and integrity of the administration.

➢ **Meaning of Transparency**

Transparency is the basic principle of good governance. It implies the right of the public to know the work of the administrative organisations. Transparency implies that citizens should be enabled to get the information about the administration, thus setting up of proper mechanism for the access of information about the administrative works. Transparency in administration has given the public greater access to governmental information, thereby increasing the accountability of civil servants and administrators. It makes the decision making process in administration more open. Transparency stands for openness and thus opposes all forms of secrecy and privacy.

Transparency in administration is the right of the people. People have the right to know about the details of decisions and procedure of administration. Thus, people have the right to seek information regarding the functioning of any department or wing of administration. This constitutes the right to information. This right to information is a universally recognised right. In fact, the UNO has recognised the freedom of information of the people. This right to information induces deep trust on the actions of the government.

In India, several mechanisms exist to ensure transparency in administration. These are discussed below:

➢ **Right to Information Act 2005:**

In India the Right to Information Act,2005 (RTI) has been enacted which mandates that public bodies have an obligation to disclose information and every member of the public has a corresponding right to receive information which may be available in any form held by a public body. The main features of the Act are-

❍ **Objectives of RTI Act are :**

a. To set out a practical regime of citizen's right to information;

b. To enable the citizens to secure access to information which is held under the control of the Government or the public authorities;

c. To promote accountability and transparency in the administration of the Government and public bodies;

d. To constitute a Central Information Commission and also State Information Commissions for implementation of the Act and Rules made thereunder, and its monitoring;

e. To make an endeavour to curb corruption at its roots and make the Government agencies accountable to the people;

f. To impose a proactive duty on public authorities to make as much information available to the public as possible.

❍ **Definition of Information:**

The Act define "Information" as any materials or information relating to the affairs, administration, decisions or conduct of public authorities and includes any document or record relating to the affairs of public authorities.

❍ **Public Authority and its Obligation:**

The Act defines 'Public Authority' as any authority or body or institution of self-government established or constituted by or under the Constitution or by any law of the Parliament or State Legislature. The Act makes the Public Authority responsible for dissemination of information and for responding to the requests for access to information by the citizens.

❍ **Administrative Mechanism- Information Commission:**

The Act provides that every public authority shall designate as many Public Information Officers (PIO) in all its administrative departments as may be necessary to provide information on request of the information seekers. The Act also provides for constitution of Central Information Commission and the State Information Commission.

❍ **Information Exempted from Disclosure:**

There are some information which are exempted from being disclosed such are matters related to sovereignty and integrity of India, security of the country, relation with foreign State,

information which may constitute contempt of Court, information which may breach privilege of the Parliament or the State Legislature etc.

❍ **Right to Appeal:**

An applicant whose request for information is rejected or not given the information within the prescribed time limit or is aggrieved by the decision of the Central Public Information Officer (CPIO) or State Public Information Officer (SPIO), as the case may be, may appeal to such Officer senior in rank to CPIO or SPIO in each Public Authority. Appellate authority for deciding appeals is generally notified by the States under the RTI law.

❍ **Penalty for refusal, incorrect or delay in Information:**

The Public Information Officer (PIO) and the Assistant Public Information Officer (APIO) is responsible for furnishing the information within the specified period of time, on failure to provide such information are held personally liable in terms of fine or departmental action. According to the RTI Act,2005, every PIO will be liable for fine of Rs. 250/- per day, upto a maximum of Rs. 25000/- for-

i) not accepting the application for request of information;

ii) delaying information release without any reasonable cause;

iii) *malafide* denial of information;

iv) knowingly giving incomplete, incorrect or misleading information;

v) destroying information that has been requested, and

vi) obstructing furnishing of information in any manner.

The RTI Act, 2005 is a special legislation empowering the citizens of the country to know the every details related to the public authorities of the country. It is a powerful tool at the hands of the citizens to make the public officials accountable in their duties. Moreover, it also helps in maintaining integrity of public officials while doing their works.

Administrative accountability in a democratic country like India is very important, because the Government derives its legitimacy from the people. Administrative accountability has to be understood in terms of the public policies and its implementation. Accountability is the contributing factor to administrative efficiency.

- **Meaning of Accountability**

Generally, accountability means objective responsibility that connotes the responsibility of a person or an organisation about some kind of performance to someone else means outside of self. It is considered to be closely akin to answerability. Accountability therefore means that the administration has to be accountable for the exercise of authority which it possesses. It is an evaluation of performance in terms of its goals.

In a Parliamentary form of Government accountability connotes the government's obligation to clarify and justify its policies and their implementation to the legislature, which oversees and scrutinises governmental activities so as to satisfy itself that public policies so framed are in accordance with the needs and aspirations of the people and are being executed efficiently in the best interest of the public. Thus, accountability mainly aims at increasing efficiency and effectiveness of administrative process. In a developing country, with the expansion of developmental activities, the power vested in public administration is spontaneously growing and there are many chances of its abuse. Therefore, it is imperative to introduce appropriate provisions so as to make the administration accountable to the people.

In the following, we will discuss the practices in India through which the administrative accountability is maintained.

- **Parliamentary Control over Administration:**

The Parliament of India plays an important role in making administration accountable. There are several means through which

the Parliament exercises control over public administration. Some of the important means are: questions, discussions and debates, motions and resolutions on specific administrative actions and matter of grave concern. The Members of the Parliament, through financial control by the budget and parliamentary committees, can call attention motions to draw the attention of the minister concerned to a matter of urgent public importance. Parliamentarians also get opportunity to hold administration accountable through budgetary process at the time of general discussion on the budget, discussion and voting of demands for grants and consideration and passing of both the appropriation bill and the financial bill. In this way, the legislature, through its power over the public purse, seeks to ensure administrative accountability. Besides there are standing committees of the Parliament, such as- Public Accounts Committee on subordinate legislation, Committee on government assurances and so on facilitate the exercise of the power of administrative accountability. The Committees are empowered to ask for files, information and other documents from government officials. Even the officials may be called for evidence.

Besides, the system of post-audit of the governmental accounts is also among the important means of control and ensuring accountability as it seeks to ensure that the funds sanctioned by the legislature are spent by the approved authorities for the same purpose for which they are appropriated.

- **Executive Control over Administration:**

In India the executive exercises control over administration through many ways. Some of these are-

- Political or Ministerial Control: The executive branch of the government consists of Ministers as members of the Cabinet and the permanent civil servants. Each Minister is individually in charge of a portfolio consisting of one or more department and thus, he or she is the chief executive so far

as that portfolio is concerned and is responsible for the official working of the subjects under his or her charge. In running the administration of concerned department the concerned Minister has to control the actions of civil servants of that particular department so that they may help in implementation of the policies.

- Administrative Control within the Hierarchy: There is a hierarchical command structure in the permanent executive. The administrative head of department is secretary. The department is divided into wings, under the charge of joint or additional secretary; a wing is sub-divided into divisions headed by deputy secretaries; each division is further divided into branches, under the charge of under secretaries; and then comes the section, headed by section officer. Each superior officer controls and command the subordinate offices and wings.
- Personnel Management Control: An important means of control is the centralization of establishment. The chief executive has a centralized personnel office. This office controls the methods of recruitment, salaries, promotions, conditions of service etc. Uniformity in personnel matters throughout the administrative organisation of the government is maintained.
- Budgetary Control: To carry out the functions of the government the budget provides necessary finances. The activities of the administrative departments can be controlled by controlling the finances made available to them through budget.
- Control by Staff Agencies: There are two important staff agencies which also exercise control over various ministries, departments and other administrative agencies. These agencies are- NITI Aayog (formerly Planning Commission

of India) and the Department of Administrative Reforms which now comes under the Ministry of Personnel, Public Grievances and Pensions.

- Professional or Administrative Ethics: Every profession develops a code of conduct and behavior for its members. Public services have also become a professional career and in many countries it has evolved its own code of ethics. In India there is a very voluminous of code of conduct for civil servants. It lays down in great details what a civil servant should do and should not do.

➢ **Judicial Control over Administration:**

In a democratic country, the judiciary restricts the discretion and arbitrariness of both the executive and administrative agencies, safeguards the rights and liberty of the citizens. It helps in redressal of the grievances of the citizens, curbs corruption in government and administration and can declare the acts of the government and administration ultra vires in case they exceed their jurisdiction. Thus, if some administrative actions cause loss to the citizen, the concerned person may knock at the door of the judiciary for redressal of his or her grievances. Judiciary can exercise the control over the administration through the following means:

a) Judicial review of administrative acts and decisions,

b) Statutory appeals to the courts against the administrative acts and decisions,

c) Suits against the Central or State governments by a private party for enforcing contract or torts,

d) Criminal suits against public servants by private parties,

e) extraordinary remedies such as habeas corpus, mandamus, injunction, certiorari, prohibition and quo warranto.

Apart from the above mentioned means Lokpal and Lokayuktas also exercise as an means to ensure accountability in administration. The Government of India has enacted the institution of Ombudsmen since 2014. The institution Lokpal is mandated to look after the cases of corruption at the higher level including the Prime Minister, Ministers, M.P.s and other public officials. The institution of Lokayukta is mandated to work against the cases of corruption at the State level.



CHECK YOUR PROGRESS

Q.1: In which year was the Central Vigilance Commission (CVC) formed?

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Q.2: Mention any two powers of the Lokpal.

.....

.....

Q.3: Write briefly about any two means through which the executive exercises control over administration.

.....

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Q.4: Mention any two objectives of the Right to Information Act.

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13.4 INTEGRITY, TRANSPARENCY AND ACCOUNTABILITY - PRINCIPLES AND PRACTICE: THE UK

13.4.1 Integrity in Administration in the United Kingdom

➢ **Committee on Standards in Public Life (CSPL)**

In the UK, the Committee on Standards in Public Life (CSPL) which was established in advises the Prime Minister on ethical

standards of public life. It is an advisory non-departmental public body of the United Kingdom Government. The committee promotes a code of conduct called the Seven Principles of Public Life. These seven principles are as follows:

1. **Selflessness :** Holders of public office should act solely in terms of the public interest.
2. **Integrity :** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
3. **Objectivity :** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
4. **Accountability :** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
5. **Openness :** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
6. **Honesty :** Holders of public office should be truthful
7. **Leadership :** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

These Seven Principles apply to those elected or appointed to public office, nationally or locally; those appointed to work in the civil service, local government, the police, courts and probation services, Non Departmental Public Bodies, and in the health,

education, social and care services; and those in the private sector delivering public services.

13.4.2 Transparency and Accountability in the United Kingdom

- **Citizen's Charter**

To maintain transparency and accountability in administration, the United Kingdom has adopted the Citizen's Charter about which we have learnt in the previous unit. The Citizen's Charter was an initiative launched in 1991 by the then British Prime Minister John Major as part of his 'commitment to quality' public sector reform agenda. The Citizenn;s Charter laid emphasis on Accountability and Transparency as core principles of the Charter. Accountability in terms of Individuals and Organisations working for the government and Transparency in terms of Rules/ Procedures/ Schemes/ Grievances . The Citizen's Charter programme was a drive for greater openness and for transparency in the delivery of public goods and services.

- **The Freedom of Information Act, 2000**

The Freedom of Information Act, 2000 provides public access to information held by public authorities.

It does this in two ways:

a) Public authorities are obliged to publish certain information about their activities; and

b) Members of the public are entitled to request information from public authorities.

The Act covers any recorded information that is held by a public authority in England, Wales and Northern Ireland, and by UK-wide public authorities based in Scotland. Information held by Scottish public authorities is covered by Scotland's own Freedom of Information (Scotland) Act 2002.

Public authorities include government departments, local authorities, the National Health Service (NHS), state schools and police forces. However, the Act does not necessarily cover every organisation that receives public money. For example, it does not cover some charities that receive grants and certain private sector organisations that perform public functions.

Recorded information includes printed documents, computer files, letters, emails, photographs, and sound or video recordings.

However, there are certain types of information which are exempted from the purview of the Act like defence and national security matters.

(Source: https://ico.org.uk/for-organisations/guide-to-freedom-of-information/what-is-the-foi-act/)



CHECK YOUR PROGRESS

Q.5: What are the seven principles of public life promoted by the Committee on Standards in Public Life (CSPL) ?

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Q.6: Write briefly about the Freedom of Information Act, 2000 of the United Kingdom.

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13.5 LET US SUM UP

- The dictionary meaning of the term Integrity is "soundness of moral principles; the character of uncorrupted virtue; uprightness; honesty;

sincerity." Integrity is, in fact, most essential attribute of good governance. Usually the principle of integrity demands that a professional exercise his or her tasks adequately, carefully and responsibly, taking into account all relevant interests. Some theorists have stressed that the term integrity refers to strict adherence of the principles of incorruptibility, honesty, impartiality and accountability.

- In India a number of measures have been adopted to maintain integrity in administration. Some of these measures are- the Indian Penal Code, Section 161, the Prevention of Corruption Act, 1947, Government Servants Conduct Rules, Central Vigilance Commission (CVC), State Vigilance Commission, Central Bureau of Investigation (CBI), Lokpal and Lok Ayuktas in State.
- To maintain integrity in administration, the United Kingdom has adopted some important measures. One such measure was the Citizen's Charter. The Citizen's Charter was an initiative launched in 1991 by the then British Prime Minister John Major as part of his 'commitment to quality' public sector reform agenda. The Citizen's Charter programme sought to bring about a sustained focus on customer service and improved quality in public services. It was a drive for greater openness and for transparency around performance standards and measures.
- Accountability is the contributing factor to administrative efficiency. Generally, accountability means objective responsibility that connotes the responsibility of a person or an organisation about some kind of performance to someone else means outside of self. It is considered to be closely akin to answerability. Accountability therefore means that the administration has to be accountable for the exercise of authority which it possesses.
- In India the Parliament, executive and judiciary exercises various practices through which the administrative accountability is maintained.
- Transparency is the basic principle of good governance. It implies the right of the public to know the work of the administrative organisations.

Transparency implies that citizens should be enabled to get the information about the administration. Transparency in administration has given the public greater access to governmental information, thereby increasing the accountability of civil servants and administrators. It makes the decision making process in administration more open.

- In India the Right to Information Act has been enacted in 2005 to ensure transparency in administration.
- In the UK, the Committee on Standards in Public Life (CSPL) which was established in advises the Prime Minister on ethical standards of public life. It is an advisory non-departmental public body of the United Kingdom Government. The committee promotes a code of conduct called the Seven Principles of Public Life.
- To maintain transparency and accountability in administration, the United Kingdom has adopted the Citizen's Charter. The Citizen's Charter laid emphasis on Accountability and Transparency as core principles of the Charter.
- The Freedom of Information Act, 2000 of the United Kingdom provides public access to information held by public authorities.



13.6 FURTHER READING

1) Arora, Ramesh K. and Goyal, Rajni. (1996). *Indian Public Administration- Institutions and Issues.* New Delhi: Wishwa Prakashan.

2) Avasthi, Dr. Amreshwar and Maheswari, Dr. Shriram. (2002). *Public Administration*. Agra: Lakshmi Narain Agarwal Publication.

3) Bhagwan, Vishnoo and Bhushan, Vidya. (2007). *Public Administration*. New Delhi: S. Chand and Co. ltd.

4) Sharma, Dr. M. P. and Sadana, Dr. B.L. (2010). *Public Administration in Theory and Practice*. Allahabad: Kitab Mahal.



13.7 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q. No. 1: 1964

Ans to Q. No. 2: (i)The Inquiry Wing of the Lokpal has been vested with the powers of a civil court.

(ii) Lokpal has powers of confiscation of assets, proceeds, receipts and benefits arisen or procured by means of corruption in special circumstances.

Ans to Q. No. 3: (i) Political or Ministerial Control: The executive branch of the government consists of Ministers as members of the Cabinet and the permanent civil servants. Each Minister is individually in charge of a portfolio consisting of one or more department and thus, he or she is the chief executive so far as that portfolio is concerned and is responsible for the official working of the subjects under his or her charge. In running the administration of concerned department the concerned Minister has to control the actions of civil servants of that particular department so that they may help in implementation of the policies.

(ii) Personnel Management Control: An important means of control is the centralization of establishment. The chief executive has a centralized personnel office. This office controls the methods of recruitment, salaries, promotions, conditions of service etc. Uniformity in personnel matters throughout the administrative organisation of the government is maintained.

Ans to Q. No. 4: (a) To enable the citizens to secure access to information which is held under the control of the Government or the public authorities.

(b) To promote accountability and transparency in the administration of the Government and public bodies.

Ans to Q. No. 5: The importance of the Citizen's Charter can be justified by the following points- (a) To make administration accountable and citizen friendly, (b) To ensure transparency in administration, (c) To take measures to improve customer service, (d) To adopt a stakeholder approach, (e) To save time of both Administration and the citizen.

Ans to Q. No. 6:

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty
7. Leadership

Ans to Q. No. 7: The Freedom of Information Act, 2000 provides public access to information held by public authorities. The Act covers any recorded information that is held by a public authority in England, Wales and Northern Ireland, and by UK-wide public authorities based in Scotland. Information held by Scottish public authorities is covered by Scotland's own Freedom of Information (Scotland) Act 2002. Public authorities include government departments, local authorities, the National Health Service (NHS), state schools and police forces. However, the Act does not necessarily cover every organisation that receives public money. For example, it does not cover some charities that receive grants and certain private sector organisations that perform public functions. Recorded information includes printed documents, computer files, letters, emails, photographs, and sound or video recordings. However, there are certain types of information which are exempted from the purview of the Act like defence and national security matters.



13.8 POSSIBLE QUESTIONS

Q. 1 : Write the meaning of accountability.

Q. 2 : When was the Right to Information (RTI) Act passed in India?

Q. 3 : What is meant by transparency in administration?

Q. 4 : Write about judicial control over administration.

Q. 5 : Discuss various means of controlling exercises in India to maintain accountability in administration.

Q. 6 : Discuss the Citizen's Charter of the United Kingdom.

Q. 7 : Discuss the existing legal framework to maintain integrity in Indian administration.

Q. 8 : Discuss the Right to Information Act, 2005.

Q. 9 : Write about the Central Vigilance Commission as agency to maintain integrity in administration in India.

Q. 10: Write about the Committee on Standards in Public Life (CSPL) with reference to integrity in administration in the UK.

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UNIT 14: GOOD GOVERNANCE, e-GOVERNANCE (INDIA AND USA)

UNIT STRUCTURE

11.1 Learning Objectives

14.2 Introduction

14.3 Good Governance: Principles and Features

14.4 Good Governance in India

14.5 Good governance in the United States of America

14.6 e-Governance in India

14.7 e-Governance in the United States of America

14.8 Let Us Sum Up

14.9 Further Reading

14.10 Answers to Check Your Progress

14.11 Possible Questions

14.1 LEARNING OBJECTIVES

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

- explain the meaning of the concept of good governance and application
- discuss the practices of good governance in India and the U.S.A
- examine the status of e-governance in India and the U.S.A.

14.2 INTRODUCTION

Good governance as a concept in public administration is associated with efficient and effective administration in a democratic framework.It is equivalent to purposive and development oriented administration which is committed to improvement in quality of life of the people.It is also related to the capacity of the centre of power of political and administrative system to cope up with the emerging challenges of the society.It refers to adoption of new values of governance to establish greater efficiency, legitimacy and credibility of the system.Good governance, is, thus a function of installation

of positive virtues of administration and elimination of vices of dysfunctionalities.In short, it must have the attributes of an effective, credible and legitimate administrative-- that is citizen- friendly, value-caring and people-sharing.

The concept of good governance derives its relevance in the context of misgovernance. Misuse of power and funds are systematically perpetrated by the leaders of government and their unions. Mis-governance is found all around, especially in the developing countries, in rampant degree. the concept of good governance becomes attractive as a remedy against this state of affairs.

Good governance aims at providing environment in which all citizens irrespective of the differences can develop their full potential. in addition, good governance also aims at providing public services effectively, efficiently and equitably to the citizens. The four pillars on which the edifice of good governance rests, in essence are:

- Ethos (of service to the citizen),
- Ethics (honesty, integrity and transparency),
- Equity (treating all citizens alike with empathy for the weaker sections), and
- Efficiency (speedy and effective delivery of service without harassment and using ICT increasingly).

14.3 GOOD GOVERNANCE: PRINCIPLES AND FEATURES

Good governance shares or aims at the ethos of a cohesive and responsible democratic society. Good governance provides moral legitimacy, apart from constitutional validity, and credibility to the goals as well as instrumentalities of government. The main constituents or attributes of good governance,thus, are basically rule of law, accountability, decentralization, honesty or probity in public affairs, independence of judiciary, human rights, people's participation, equality of treatment as needed in a pluralistic society, absence of discrimination on the basis of,

colour, race, language, faith, sex, region, etc., administrative responsiveness, social sensitivity, ethical approach or conduct, effectiveness, willingness to learn and having an urge to improve as well as evolve capability to anticipate the nature and direction of change to cope with the challenges as they arise from time to time.

Let us take a look at some of the agenda items of good governance. They can be listed as follows:

(i) Enhancing effective and efficient administration;

(ii) Improving quality of life of citizens;

(iii) Establishing legitimacy and credibility of institutions;

(iv) Making administration responsive, citizen-friendly and citizen-caring;

(v) Ensuring accountability;

(vi) Securing freedom of information and expression;

(vii) Reducing cost of governance;

(viii) Making every department result-oriented;

(ix) Improving quality of public services;

(x) Improving productivity of employees;

(xi) Eradication of corruption to re-establish credibility of government;

(xii) Removal of arbitrariness in exercise of authority; and

(xiii) Use of IT based services to improve the citizen- government interface.

- **Features of Good Governance**

An institutional setup that ensures good governance usually has the following features:

a) **Participation:** Men, women and third gender should have a voice in decision making process, either directly or through legitimate intermediate institutions that represent their interests. Such participation is built on freedom of association and speech, as well as capacities to participate constructively.

b) **Rule of Law:** Legal frameworks should be fair and enforced impartially, particularly laws on human rights.

c) **Transparency:** Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information should be provided to understand and monitor them.

d) **Responsiveness:** Institutions and processes try to serve all stakeholders.

e) **Consensus Orientation:** Good governance mediates differing interests to reach a broad consensus on what is in the best interest of the group and where possible, on policies and procedures.

f) **Equity:** All men and women have opportunities to improve or maintain their well-being.

g) **Effectiveness and efficiency:** Processes and Institutions produce results that make the best use of resources.

h) **Accountability:** Decision makers in government, the private sector and civil society organisations are accountable to the public, as well as to the institutional stakeholders. This accountability differs depending on your organisation and whether the decision is internal or external to an organisation.

i) **Strategic vision:** Leaders and the public have a broad and long term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the history, culture and social complexities in which that perspective is grounded.



CHECK YOUR PROGRESS

Q.1: What are the four pillars of good governance.

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Q.2: Write briefly about two features of an institutional setup that ensures good governance.

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14.4 GOOD GOVERNANCE IN INDIA

The idea of good governance is as old as Indian civilization. 'Raj Dharma' was the supreme code of conduct or the rule of law that governed all the actions of the ruler. This description of good governance is found in ancient Indian scriptures such as the Mahabharata, Shukracharyas'sNitisar, Panini's Ashtadhyayi, Valmiki's Ramayana and especially in Kautilya'sArthashastra. However, while the traditional view of governance was that a good government must preserve the rule of law, engage in physical and social infrastructure development, provide an enabling environment for growth and ensure civil and political freedoms; today accountability, transparency, inclusiveness, equitability, sustainable development etc. have become the key ingredients of 'good governance'. The Twelfth Five Year Plan (2012-2017) defines good governance as an essential element of any well-functioning society. It defines good governance as 'the public administration process that maximizes public interest'.

The right to good governance is considered as an essential part of the citizens' rights. Accordingly, a number of initiatives have been taken by the Government of India to incorporate citizens' concerns as inputs in the formulation of policy as well as in the quality and reliability of services. These can be brought through various tools, including the Citizen's Charters, Right to Information, e-Governance, Citizen Report Cards and Social Audits.

Initiatives Taken for Good Governance in India

A number of steps have been taken for improving the quality of governance in India. Some of these are-

- **Citizen-centric Platforms:** The Government of India has launched websites like mygov@nic.in and india.gov.in to promote active participation of Indian citizens in their country's governance and development. These are citizen centric platforms to empower people to connect with the Government and contribute towards good governance. It provides a common platform for Indian citizens to 'crowdsource governance ideas' where citizens can join the discussion to share, debate and adds value to various government projects and plans.
- **Participatory Budgeting:** Participatory budgeting is the process by which citizens deliberate and negotiate over the distribution of public resources. It creates opportunities for engaging, educating and empowering citizens, which can equip and advance a more vibrant civil society. This process helps citizens to voice their opinions and decide on how to allocate part of a municipal or public budget for the betterment of their neighbourhoods. It is an opportunity in which the common citizens can decide on the allocation and distribution of public expenditure in their areas or regions.

  So far only a few cities in India namely Bangalore, Mysore and Pune have experimented with participatory budgeting. In 2001, Bangalore became the first city in India to implement participatory budgeting due to efforts by a local NGO, Janaagraha. Initiatives taken in India for ensuring Transparency and Accountability in Governance are-
- **The Right to Information Act, 2005:** This Act ensures the legal right for a citizen to access the information that they want (Except issues related to national security and interest). Right to Information law not only requires governments to provide information upon request, but also impose a duty on public bodies to actively disclose, disseminate and publish, as widely as possible, the information of general public interest even before it has been requested (as per section 4(1)(b) of the Act). Thus the RTI Act is a tool through which citizens can examine, audit, review and assess the government works and decisions to

ensure that these are consistent with the principles of public interest, integrity and justice. Under the Right to Information Act, public servants can also be questioned on their conduct and thus, it makes them accountable. Right to information therefore promotes openness, transparency and accountability in administration by making the government more open to public scrutiny

- **Citizen's Charter Act:** Under the Right of Citizens for Time Bound Delivery of Goods and Services and Redressal of their Grievances Act, 2011 every public authority is required to publish a Citizens Charter specifies the category of goods supplied and services rendered by it, the time frame within which such goods shall be supplied or services be rendered; to establish information and facilitation centre for efficient and effective delivery of services and redressal of grievances.
- **Social Audit:** Social audits refer to a legally mandated process where potential and existing beneficiaries evaluate the implementation of a programme by comparing official records with ground realities. These audits were first made statutory in the 2005 Rural Employment Act. The objectives of social audits include providing accurate identification of requirements; prioritization of developmental activities as per requirements; proper utilization of funds; the conformity of the developmental activity with the stated goals and; quality of service. The involvement of people in developmental activities through social audit ensures that money is spent where it is actually needed along with reduction of wastages and corruption. It promotes integrity and a sense of community among people and leads to improved standard of governance.
- **Ombudsman:** Also known as the Lokpal and the Lokayukta, it is an anti-corruption authority constituted at the national and state levels respectively. It investigates allegations of corruption and mal-administration against public servants and is tasked with speedy redressal of public grievances. The public can directly approach the

Lokayukta with complaints of corruption, nepotism or any other form of mal- administration against any government official. A Lokayukta inquiries into allegations of corruption, misuse of authority and wrong doings of public functionaries, including the Chief Minister, Ministers and MLAs.

- **e-Governance:** The National e-Governance Plan aims at electronic delivery of all public services to citizens through common service delivery outlets. It ensures greater efficiency, transparency & reliability of such services at affordable costs to realize the basic needs of the common people.
- **AADHAAR:** It is a document that carries a 12-digit identification number provided by the Unique Identification Authority of India (UIDAI). The number acts as an evidence of address and identity of people across all parts of India. Linking their Aadhaar numbers with a host of services, including mobile SIM cards, bank accounts, the Employee Provident Fund, and a large number of welfare schemes such as Mahatma Gandhi National Rural Employment Guarantee Act, Public Distribution System, and old age pensions etc., the citizens can avail efficient delivery of public services.

Initiatives for ensuring efficient Public Service Delivery in India are-

- **Digital India Plan:** Leveraging the power of information technology brings with it the advantage of transparency and speed for the benefit of the citizens. In this regard the Government has embarked upon a time bound Digital India Plan. The Ministry of Panchayati Raj has moved into 100% e-Office platform.
- **Sevottam:** It is an administrative measure to improve the quality of public services in India. The term 'Sevottam' comes from the Hindi words 'Seva' and 'Uttam' and means excellence in service delivery. This citizen-centric approach includes the following components:

  (a) Citizen Charter and Service Standards: Citizen Charter is the document where a public sector organization declares its key services along with delivery timelines and requirements.

(b) Public Grievances: This includes the receipt, redressal and prevention of grievances.

(c) Service Delivery Enablers: This includes customer feedback, employee motivation and infrastructure development.

- Direct Benefit Transfer: It aims at 100% direct cash transfer to facilitate disbursements of government entitlements. Under this program, subsidies are directly transferred to the people through their bank accounts. Launched in January 2013, this scheme leverages the JAM (Jan Dhan, Aadhaar and Mobile) trinity to usher in greater transparency and improve targeting, eliminate wastage, reduce delays and enhance efficiency.

Initiatives which aim at achieving Equity and Inclusive Governance in India are-

- **Right to Work:** In 2005, the National Rural Employment Guarantee Act (NREGA) was enacted for implementing the provision of Right to Work. It is the largest social welfare scheme of its kind in the world that guarantees 100 days of unskilled work to every rural household whose adult members volunteer to do the work. It is an excellent example of the importance of critical linkages between governance and development.
- **Right to Education Act:** Illiteracy is the major hurdle in the way of good governance. The 86th Constitutional Amendment Act of 2002 popularly known as RTE made free and compulsory education a fundamental right for all children in the age group of 6-14 years, along with a provision for reservation of 25 percent seats in the unaided private schools for the underprivileged students.
- **Right to Food Act:** The enactment of the National Food Security Act, 2013 for wiping out hunger and malnutrition from the country, is another step to establish good governance in India. It provides a large majority of its people, the deprived and the disadvantaged, a legal right to demand food from the state.

- National Health Mission: It is another initiative undertaken with aim at increasing public spending on health and promoting equity, efficiency, quality and accountability in the public health sector.
- Ayushman Bharat: It is a National Health Protection Scheme, which will cover over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries) providing coverage upto 5 lakh rupees per family per year for secondary and tertiary care hospitalization.

14.5 GOOD GOVERNANCE IN THE UNITED STATES OF AMERICA

Democratic values, transparency, responsiveness, probity, inclusiveness, accountability, accessibility, efficiency, effectiveness, respect for human rights are some core values that form the basis of American public administration and administrative thinking.

Initiatives Taken for Good Governance in the United States of America

The United States of America has given utmost importance on good governance and it has taken a number of measures in this regard. The different steps in the quest for good governance in the United States of America can listed as follows:

- **Freedom of Information:** Holding government officials accountable for their actions and that of others is crucial to democratic governance, even more so when substantial responsibility is entrusted to nonelected (administrative) personnel. This rationale underlies the need for openness in government operations, public scrutiny, and freedom of information (FOI). Freedom of Information (FOI) law was passed by the Congress and some state legislatures establishing procedures through which private citizens may gain access to a wide variety of recordsand files from government agencies. Thus Freedom of Information (FOI) law is a principal instrument for breaking down bureaucratic secrecy in American public administration. Congress passed the Freedom of Information Act (FOIA) in 1966, based on the principle that the "timely provision

of information to the American people, upon their own petition, is a requisite and proper duty of government. The law presumed a right to know, with some limitations on information to be made available (most relating to national security). The effect of this statute was to increase the potential for citizen access to a wide variety of government records and files.

- **Sunshine Laws:** Sunshine Laws are Acts passed by the Congress and by some states and localities requiring that various legislative proceedings (especially those of committees and subcommittees) and various administrative proceedings be held in public rather than behind closed doors. It serves as an important device for increasing openness and accountability.
- **Sunset Laws:** Such laws add another dimension to accountability. These are provisions in laws that governmentagencies and programs have a specific termination date. By requiring positive legislative action to renew agency mandates, there is a virtual guarantee that some examination of agency performance will take place.
- **Community Control:** They are legal requirementsthat groups affected bypolitical decisions must be represented on decisionmakingboards andcommissions. This device is mainly focused on neighborhood management of schools and delivery of other essential urban services.
- **Regularised participation of Public Interest Groups (PIGs):** Public Interest Groups(PIGs) are organized lobbying groups thatrepresent collectiveinterests, for instance,nonbusiness or labor, ininfluencing public policy.Examples of such groups are CommonCause and Greenpeace.
- **Government Performance and Results Act (GPRA) of 1993:** This was a major step towards enhancing performance management in the public sector. Commonly known as the Results Act, this 1993 Act requires federal managers to plan and measure performance in new

ways. With the full implementation of GPRA, there has been a much greater emphasis on the execution of results measurement programs (outcomes, outputs, and results) than on traditional policy analysis. This has led to "demonstration" projects in state and local governments, as well as more effective use of expenditures because ineffective programs will be either improved or terminated.

- **National Partnership for Reinventing Government (NPRG) (1997):** This effort was launched with the slogan-"America@Its Best" (which intentionally read like an e-mail address),to emphasize the commitment to greater public access through the expandeduse of electronic government, information technology (IT), and the Internet.Reform efforts focused on partnerships with twenty-nine "high-impact"federal agencies to achieve measurable goals of customer service. These "reinventionimpact centers" consisted of federal agencies that employ 1.1 millionof the 2.4 million civilian employees and have the most contact with the publicand businesses, including the Internal Revenue Service (IRS), EnvironmentalProtection Agency (EPA), Federal Aviation Administration (FAA), Foodand Drug Administration (FDA), Federal Emergency Management Agency(FEMA), Occupational Safety and Health Administration (OSHA) and SocialSecurity Administration (SSA). New technology was used to gather publiccomments on goals, to communicate directly with citizens and to distributereports from high-impact agencies on their progress toward reaching goals.
- **Customer Service Standards:**Former American President Clinton issued Executive Order 12862 in September 1993,18 mandating that all federal agencies identify their customers, find out what those customers want, and develop customer service standards and means to achieve them. The order emphasized that the quality of government services should equal or exceed the best service available in the private sector, and in order to reach that goal it described actions that needed to be taken by the agencies.



CHECK YOUR PROGRESS

Q.3: When was the Right to Information Act passed in India?

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Q.4: In which year was the Freedom of Information Act (FOIA) passed in the United States of America?

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Q.5: Write briefly about any two initiatives taken in India for ensuring transparency and accountability in Governance.

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Q.6: Write briefly about any two measures adopted in the United States of America to ensure good governance.

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14.6 e-GOVERNANCE IN INDIA

The "e" in e-Governance stands for 'electronic'. Thus, e-Governance is basically associated with carrying out the functions and achieving the results of governance through the utilization of ICT (Information and Communications Technology). While Governance relates to safeguarding the legal rights of all citizens, an equally important aspect is concerned with ensuring equitable access to public services and the benefits of economic growth to all. It also ensures government to be transparent in its dealings, accountable for its activities and faster in its responses as part of good governance. However, this would require the government to change

itself - its processes, its outlook, laws, rules and regulations and also its ways of interacting with the citizens. It would also require capacity building within the government and creation of general awareness about e-Governance among the citizens.

In India, the main thrust for e-Governance was provided by the launching of NICNET in 1987 - the national satellite-based computer network. This was followed by the launch of the District Information System of the National Informatics Centre (DISNIC) programme to computerize all district offices in the country for which free hardware and software were offered to the State Governments. NICNET was extended via the State capitals to all district headquarters by 1990. In the ensuing years, with ongoing computerization, tele-connectivity and internet connectivity, the Government of India has adopted a large number of e-Governance initiatives, both at the Union and State levels. Some of these initiatives are discussed below-

- **National e-Governance Plan (NeGP):**

  The 11th report of the Second Administrative Reforms Commission, titled "Promoting e-Governance - The Smart Way Forward", established the government's position that an expansion in e-Governmentwas necessary in India. The ARC report was submitted to the Government of India on 20 December 2008.The National e-Governance Plan was formulated by the Department of Electronics and Information Technology (DEITY) and Department of Administrative Reforms and Public Grievances (DARPG) in 2006. The NeGP aims at improving delivery of Government services to citizens and businesses with the vision- "Make all Government services accessible to the common people in their locality, through common service delivery outlets and ensure efficiency, transparency & reliability of such services at affordable costs to realise the basic needs of the common people". The Government of India approved the National e-Governance Plan (NeGP), comprising of 27 Mission Mode Projects and 8 components, on May 18, 2006. In the year 2011,

4 projects - Health, Education, PDS and Posts were introduced to make the list of 27 MMPs to 31Mission Mode Projects (MMPs). The Government has accorded approval to the vision, approach, strategy, key components, implementation methodology and management structure for NeGP. However, the approval of NeGP does not constitute financial approval(s) for all the Mission Mode Projects (MMPs) and components under it. The existing or ongoing projects in the MMP category, being implemented by various Central Ministries, States, and State Departments would be suitably augmented and enhanced to align with the objectives of NeGP. In order to promote e-Governance in a holistic manner, various policy initiatives and projects have been undertaken to develop core and support infrastructure. The major core infrastructure components are State Data Centres (SDCs), State Wide Area Networks (S.W.A.N), Common Services Centres (CSCs) and middleware gateways i.eNational e-Governance Service Delivery Gateway (NSDG), State e-Governance Service Delivery Gateway (SSDG) and Mobile e-Governance Service Delivery Gateway (MSDG). The important support components include core policies and guidelines on Security, Citizen Engagement, Social Media as well as Standards related to Metadata, Interoperability, Enterprise Architecture, Information Security etc. New initiatives include a framework for authentication, viz. e-Pramaan and G-I cloud, an initiative which will ensure benefits of cloud computing for e-Governance projects.

LET US KNOW



Cloud computing is the on-demand availability of computer system resources, especially data storage and computing power, without direct active management by the user. The term is generally used to describe data centers available to many users over the Internet. (Source: Wikipedia)

- **Direct Cash Transfer:**To facilitate disbursements of Government entitlements like MGNREGA, Social Security Pension, Handicapped Old Age Pension etc. of any Central or State Government bodies, using Aadhaar and authentication thereof as supported by UIDAI.
- **Aadhar Enabled Payment System (AEPS):** AEPS is a bank led model which allows online interoperable financial inclusion transaction through the Business correspondent of any bank using the Aadhaar authentication. This has helped in financial inclusion. The four Aadhaar enabled basic types of banking transactions are -Balance Enquiry, Cash Withdrawal, Cash Deposit, Aadhaar to Aadhaar Funds Transfer.
- **Digital India Program:** This programme has been envisaged by the Department of Electronics and Information Technology. The vision of Digital India aims to transform the country into a digitally empowered society and knowledge economy. The programme will be implemented in phases from the current year till 2018. The Digital India is transformational in nature and would ensure that Government services are available to citizens electronically. It would also bring in public accountability through mandated delivery of government's services electronically, a Unique ID and e-Pramaan based on authentic and standard based interoperable and integrated government applications and data basis. The program aims at providing digital infrastructure as a utility to every citizen as well as high-speed internet as a core utility in all gram panchayats. The overall scope of this program is "to prepare India for a knowledge future", "to make technology central to enabling change" and "to become an umbrella program covering many departments".

14.7 e-GOVERNANCE IN THE UNITED STATES OF AMERICA

The dawn of the era of e-governance in the United States of America was marked by the National Partnership for Reinventing Government (NPRG) (1997).This effort was launched with the slogan-"America@Its

Best", to emphasise the commitment to greater public access through the expandeduse of electronic government, information technology (IT), and the Internet.

However, the most important landmark in the quest for e-governance in America is the E-Government Act of 2002 which establishes in the Office of Management and Budget (OMB),an Office of Electronic Government, headed by an Administrator appointed by the American President. The Act requires the Administrator to assist the Director and Deputy Director for Management and work with the Administrator of the Office of Information and Regulatory Affairs in setting strategic direction for implementing electronic Government in the country. The Act defines "electronic Government" (E-Government) as the use by Government of web-based internet applications and other information technologies, combined with processes that implement these technologies, to: (1) enhance the access to and delivery of government information and services; and (2) bring about improvements in government operations.The Act directs the Administrator to work with offices within OMB to oversee implementation of E-Government in areas including- (1) capital planning and investment control for information technology (IT); (2) the development of enterprise architectures; (3) information security;(4) privacy; (5) access to, dissemination of, and preservation of government information; and (6) accessibility of IT for persons with disabilities.It also directs the Administrator to assist the Director by performing e-government functions, including-(1) advising on the resources required to develop and effectively administer e-government initiatives; (2) recommending changes relating to government-wide strategies and priorities for e-government; (3) providing overall leadership and direction to the executive branch on e-government; (4) promoting innovative uses of IT by agencies; (5) overseeing the distribution of funds from and ensuring appropriate administration and coordination of the E-Government Fund (established by this Act); (6) coordinating with the Administrator of General Services regarding programs undertaken by the General Services Administration (GSA) to promote e-government and the efficient use of information technologies by agencies; (7) leading the activities of the Chief

Information Officers Council (established by this Act) on behalf of the Deputy Director for Management (who shall chair the Council); (8) assisting in establishing policies which shall set the framework for Government IT standards developed by the National Institute of Standards and Technology (NIST) and promulgated by the Secretary of Commerce.

The spur of e-governance initiatives around nations today is a part of the larger mission of good governance ideal that every democratic and welfare nation seeks to achieve. Irrespective of the type and nature of processes involved in public management systems, it is an indisputable fact that IT can be effectively used as an enabling technology to enhance the performance of the administrators. With all its related components, it provides competitive advantage, financial gains, better delivery of services, besides assuring authenticity, accountability, transparency and speed to the working of administrators.



CHECK YOUR PROGRESS

Q.7: State the meaning of e-governance.

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Q.8: In which year was the National e-Governance Plan formulated?

.....

Q.9: Which Act establishes in the Office of Management and Budget (OMB)?

.....



14.8 LET US SUM UP

- Good governance as a concept in public administration is associated with efficient and effective administration in a democratic framework.It is equivalent to purposive and development oriented administration

which is committed to improvement in quality of life of the people.It is also related to the capacity of the centre of power of political and administrative system to cope up with the emerging challenges of the society.It refers to adoption of new values of governance to establish greater efficiency, legitimacy and credibility of the system.

- The main constituents or attributes of good governance are basically rule of law, accountability, decentralization of power, honesty or probity in public affairs, administrative responsiveness, social sensitivity, ethical approach or conduct, effectiveness etc.
- A number of initiatives have been taken by the Government of India to incorporate citizens' concerns as inputs in the formulation of policy as well as in the quality and reliability of services. These can be brought through various tools, including the Citizen's Charters, Right to Information, e-Governance, Citizen Report Cards and Social Audits.
- Democratic values, transparency, responsiveness, probity, inclusiveness, accountability, accessibility, efficiency, effectiveness, respect for human rights are some core values that form the basis of American public administration.
- e-Governance is basically associated with carrying out the functions and achieving the results of governance through the utilization of ICT (Information and Communications Technology).
- The Government of India has adopted a large number of e-Governance initiatives, both at the Union and State levels. Some of these initiatives are-National e-Governance Plan, Direct Cash Transfer, Aadhar Enabled Payment System, Digital India Programetc.
- The dawn of the era of e-governance in the United States of America was marked by the National Partnership for Reinventing Government (NPRG) (1997).This effort was launched with the slogan-"America@Its Best", to emphasise the commitment to greater public access through the expandeduse of electronic government, information technology (IT), and the Internet. The most important landmark in the quest for e-governance in America is the E-Government Act of 2002 which

establishes in the Office of Management and Budget (OMB), an Office of Electronic Government, headed by an Administrator appointed by the American President.



14.9 FURTHER READING

1) Fadia, B. L., &Fadia, K. (2015). *Public Administration: Administrative Theories and Concepts* (12th ed.). Agra, Uttar Pradesh: SahityaBhawan.

2) Sharma, M. P., Sadana, B. L., & Kaur, H. (2013). *Public Administration in Theory and Practice* (49th ed.). Allahabad, Uttar Pradesh: Kitab Mahal.

3) Milakovich, M. E., & Gordon, G. J. (2013). *Public Administration in America*. Boston, MA: Wadsworth/Cengage Learning.



14.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q. No. 1: The four pillars on which the edifice of good governance rests are- ethos (of service to the citizen), ethic (honesty, integrity and transparency), equity (treating all citizens are like with empathy for the weaker sections), and efficiency (speedy and effective delivery of service without harassment and using ICT increasingly).

Ans to Q. No. 2: (i) Participation: Men, women and third gender should have a voice in decision making process, either directly or through legitimate intermediate institutions that represent their interests. Such participation is built on freedom of association and speech, as well as capacities to participate constructively.

(ii) Rule of Law: Legal frameworks should be fair and enforced impartially, particularly laws on human rights.

Ans to Q. No. 3: in 2005.

Ans to Q. No. 4: in 1966.

Ans to Q. No. 5: (i) Citizen's Charter Act: Under the Right of Citizens for Time Bound Delivery of Goods and Services and Redressal of their Grievances Act, 2011 every public authority is required to publish a Citizens Charter specifies the category of goods supplied and services rendered by it, the time frame within which such goods shall be supplied or services be rendered; to establish information and facilitation centre for efficient and effective delivery of services and redressal of grievances.

(ii) Social Audit: Social audits refer to a legally mandated process where potential and existing beneficiaries evaluate the implementation of a programme by comparing official records with ground realities. These audits were first made statutory in the 2005 Rural Employment Act. The objectives of social audits include providing accurate identification of requirements; prioritization of developmental activities as per requirements; proper utilization of funds; the conformity of the developmental activity with the stated goals and; quality of service. The involvement of people in developmental activities through social audit ensures that money is spent where it is actually needed along with reduction of wastages and corruption.

Ans to Q. No. 6: (i) Community Control: They are legal requirements that groups affected by political decisions must be represented on decision makingboards andcommissions. This device is mainly focused on neighborhood management of schools and delivery of other essential urban services.

(ii) Regularised participation of Public Interest Groups (PIGs):Public Interest Groups(PIGs) are organized lobbying groups thatrepresent collectiveinterests, for instance,nonbusiness or labor, ininfluencing public policy.Examples of such groups are CommonCause and Greenpeace.

Ans to Q. No. 7: The "e" in e-Governance stands for 'electronic'. Thus, e-Governance is basically associated with carrying out the functions and achieving the results of governance through the utilization of ICT (Information and Communications Technology).

Ans to Q. No. 8: 2006.

Ans to Q. No. 9: E-Government Act of 2002.



14.11 POSSIBLE QUESTIONS

Q. 1 : State the meaning of good governance.

Q. 2: What is the AADHAR?

Q. 3 : Discuss briefly the E-Government Act of 2002 of US.

Q. 4 : Write short notes on (a) Sunshine and Sunset laws(b) Social Audit.

Q. 5 : Explain the features of good governance.

Q. 6 : Discuss the status of E-governance in the United States of America.

Q. 7 : Discuss the practices of good governance in India with special emphasis on the E-governance initiatives.

Q. 8 : Examine good governance practices in the context of American administration.

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UNIT 15: LOCAL GOVERNANCE (INDIA AND USA)

UNIT STRUCTURE

15.1 Learning Objectives

15.2 Introduction

15.3 Meaning and Definitions of Local Governance

15.4 Characteristics of Local Governance

15.5 Local Government in India

15.6 Local Government in the United States of America

15.7 Let Us Sum Up

15.8 Further Reading

15.9 Answers To Check Your Progress

15.10 Possible Questions

15.1 LEARNING OBJECTIVES

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

- explain the concept of local governance
- explain the various forms of local governments in India
- explain the various forms of local governments in USA.

15.2 INTRODUCTION

Local government operates at the grassroots level. This form of government is closer to the people, touching their everyday life.Like other units of government, local government units possess a defined area, a population, an organization and also the authority to undertake and power to perform public activities.The Local bodies constitute the foundation of grassroots democracy. Hence in all major democracies of the world including the developing democracies, local institutions are encouraged and accorded due recognition.Local governments came into existence in many countries as the result of decentralization of power. In U.K., U.S.A. and France people take considerable pride in their respective local governments. They feel a sense of belongingness as well as a sense of affinity towards this intuitional

form of government. In this unit we shall discuss the local self governments of India and the United States of America.

15.3 MEANING AND DEFINITIONS OF LOCAL GOVERNANCE

The area of operation and administration of a local government is limited. Unlike the Centre or State governments, whose authority and powers span across the entire country or large regions respectively, the jurisdiction of local governmentsare limited to specific areas consisting of certainvillages or cities, and its functions relate to the provision of civic amenities to the population living within that area.

John J.Clarke mentioned that a "Local government appears to be that part of government of a nation or state which deals mainly with such matters as concern the inhabitants of particular district or place"

According to Gokhle "Local self government is the government of a specified locality by the people through the representatives elected by them."

According to Venkatarangaiya and Pattabhiram "Local government is the administration of a locality, a village, a town, a city or any other area possessing a fairly large amount of authority,raising at least a part of its revenue through local taxation and spending its income on services which are regarded as local and therefore, as distinct from state and central services."

In simple language it can be said that local government is a statutory body in a specified local area (village or city),having the power to raise revenue through taxes for various local services like water, sanitation, education etc. It is formed by the elected representatives of local people. Local government enjoys autonomy from state and central control whichenables it to perform its services adequately.

15.4 CHARACTERISTICS OF LOCAL GOVERNMENT

The characteristics of local government can be mentioned as follows:

a) **Local Area:** Like any other government, local government operates

in a geographical area. Local government operates in local areas such ascities and villages.

b) **Statutory Status:** Local government enjoys statutory status. It is created by a specific laws or statutes like for example the Assam Panchayati Raj act (1994).

c) **Autonomous status:** The central or state government can exercise only that much control over the local government as is envisaged in the Act.

d) **Local Participation:** Local government constitutes the foundation of grass roots democracy. Local people participate in decision making process and administration of local government. It brings democracy closer to the people

e) **Local Finances:**Local governments have two main sources of revenue-1) grants-in-aid given by the central or state government, 2) taxes, fees imposed bylocal governments. Local governments have autonomy to raise revenue through taxation on local properties, fees on local markets etc.

f) **Provision of Civic Services:** Local governments providevarious services that are civic in nature like sanitation, water supply, street lighting, health care, primary education etc.



CHECK YOUR PROGRESS

Q.1: Local government operates at grassroots level of society. (True or False)

.....

Q.2: Mention any two characteristics of local government.

.....

.....

15.5 5LOCAL GOVERNMENT IN INDIA

Local government institutions have existed in India since ancient times.Rural local governance was described in Vedic literature too. The

Village headman was mentioned as *"Gramani."* Thoughthe local government institutions existed in ancient period, it acquired representative character during the British rule. In 1687 a municipal corporation was set up at Madras. Lord Ripon gave a new dimension to government in India. Lord Ripon was considered as the father of Local Government in India. The Government of India act 1919 and Government of India Act 1935 also provided a new phase in the evolution of local government. The Constitution of India came into force and incorporated local government under the Directive Principles of State Policy. In 1992 through the 73rd and 74th Constitutional Amendment Acts, the system of local governance in India received constitutional status.

Generally, local governments in India can be divided into two categories- Panchayati Raj and Municipalities. Panchayati Raj in India signifies the rural local self-government and Municipalities signify the urban local self-government.

A) Panchayati Raj:

ThePanchayati Raj system was constitutionalised through the 73rd Constitutional Amendment Act in 1992. All the states of India established Panchayati Raj system through the acts of state legislature. This system is established to build democracy at the grassroots level. The Government of India appointed various committees on rural local governance before 73rd Constitutional Amendment Act,1992 like the Balwant Rai Mehta Committee(1957), Ashok Mehta Committee(1977), GVK Rao Committee(1985), L M Singhvi Committee(1986), Thungon Committee e(1988) etc. In 1959 Rajasthan became the first state to establish Panchayati Raj system. Most of the states have established Panchayati Raj institutions since the mid1960s.

73rd Amendment Act of 1992: The 73rd Amendment Act included Part-IX to the Constitution of India. Part-IX is entitled as "The Panchayats". The Panchyat system is mentioned under Articles 243-243(O) in the Indian Constitution. The Eleventh Schedule is also added to Constitution through this Act and this Schedule contains 29 functional items of Panchayats.
Salient features of this Act are:

(i) **Gram Sabha:** Gram Sabha is the foundation of the Panchayati raj system. It is the primary unit of the system. All the registered voters of a village are considered as members of the Gram Sabha and they can participate in the meetings of the Sabha. Gram Sabha is an instrument of direct democracy and is in close proximity to the people.

(ii) Three Tier Systems: 73rd Amendment Act provides for a three tier system of Panchayati Raj system. These are- Village Panchayat at village level, intermediate Panchayat at block level and Zila Parishad at District level.

(iii) **Election of Members and Chairpersons:** All the members of Panchayatiraj from village level to the district level are to be elected directly by the people. The Chairperson of village Panchayats are elected directly by the people while Chairpersons of the intermediate and district level Panchayats are elected by members amongst them.

(iv) **Term of panchayats:** Normally Panchayats enjoy five years term. But it can be dissolved before the completion of its term. The fresh election to form a new Panchayat should be completed before the completion of five years term.

(v) **State Election Commission:** All the powers relating to the Panchayat elections are vested in the State Election Commission. State Election Commission is responsible for supervising, directing and controlling the Panchayat elections. The preparation of electoral rolls, creation of electoral rules and regulations is performed by the State Election Commission.

(vi) **Power and functions:** Panchayatscan prepare and implement plans for economic development and social justice.

(vii) **Finance :** The state legislature has the power to authorize the Panchayat to impose and collect taxes, duties, tolls and fees. The state legislature can direct the state executive to provide grants-in aid to the Panchayat from the consolidated fund of the

state as well as constitute distinct funds for crediting all moneys of the Panchayat.

- **Organisation and functions of Panchayati Raj Institutions**

a) At Village level:

Gram Sabha: Gram sabha is the basic unit of the panchayati raj system. It is the largest as well as the permanent body in the three tiered Panchayat system.All the voters of villages are the members of Gram Sabha and they can participate in the meetings of the Sabha. Gram Sabha is an instrument of direct democracy, close to people.

Gram Panchayat: Gram Panchayat is the executive committee of the Gram Sabha. Members of the Gram Panchayat are elected directly by people for five years. The number of members of each village Panchayat is fixed by the state legislature. The provision of reservation of seats for ST/SC in proportion to their population is also there. One third of total elected seats are reserved for women. Village Panchayat is headed by Chairperson He/She presides over the meetings of Gram Sabha and Gram Panchayat. Village panchayat perform two types of functions- mandatory and discretionary. Mandatory function includes sanitation, drainage, drinking water etc. Gram Panchayat receive funds from state government and union government. Gram Panchayat receive revenue in the form of taxes,rates,duties fees, loans,fines penalties, income from Panchayat property etc.

b) At block level:

Panchayat Samiti: Panchayat Samiti exists at block level. It is the intermediate unit of Panchayati Raj. The Samiti has a Chairperson and a Vice-Chairperson. They are elected indirectly by the elected members. MPs and MLAs elected from that area are ex-officio members of the Samiti. Number of members of each Panchayat Samiti is prescribed by the state government. All states have made provision for the reservation of seats for STs/SCs and women. The Samiti is composed of elected members, associate members and ex officio members. Functions of the Panchayat Samiti are:

implementation of schemes for agricultural development, establishment of Primary Health Centre, development of cottage industries etc., to supervise the work of Gram Panchayat, examine and modify the budget of Gram Panchayat etc. Income of Samiti comes from grants given by state government and union government, donation received, all taxes, fees tolls etc, levied by the Samiti,loans raised by the Samiti.

c) At district level:

Zila Parishad: Zila Parishad is the apex level body of the Panchayati Raj system.In most of the states, pachayats at the district level are called the Zila Parishads. In some states it is called as Zila Panchayat and in some states it is called as District Panchayat.The members of Zila Parishad are elected directly by the people. The second category of members consists of ex officio members (MPs and MLA and MLCs). The numbers of members of each Zila Parishad is fixed by the state government. The Zila Parishad members elect one President from amongst themselves.The President presides over the meetings of the Zila Parishad. The term of each Zila Panchayat is five years unless dissolved earlier.The Zila Parishad functions through a networks of standing committee which deals with agriculture,irrigation,public health etc.



LET US KNOW

The Eleventh Schedule of the Constitution contains 29 functional items of Panchayats.Some of these are- agricultureincluding agricultural extension; land improvement, implementation of land reforms, land consolidation and soil conservation; minor irrigation, water management and watershed development; animal husbandry, dairying and poultry;fisheries;social forestry and farm forestry;minor forest produce;small scale industries, including food processing industries;khadi, village and cottage industries;rural housing ;drinking water;fuel and fodder;roads, culverts,

bridges, ferries, waterways and other means of communication;rural electrification, including distribution of electricity;non-conventional energy sources;poverty alleviation programme;education, including primary and secondary schools;technical training and vocational education;adult and non-formal education;libraries;cultural activities;markets and fairs;health and sanitation including hospitals, primary health centres and dispensaries;family welfare;women and child development;social welfare, including welfare of the handicapped and mentally retarded;welfare of the weaker sections, and in particular, of the scheduled caste and scheduled tribes;public distribution system;maintenance of community assets.

B Municipalities:

Urban Local governance means the governance of an urban area by the people through their elected representatives. The jurisdiction of an urban local government is limited to a specific urban area. The institutions of urban local government were originated and developed during British rule in India. The first municipal corporation in India was set up at Madras in 1687-88. Municipalities Corporations were set up in Bombay and Calcutta in 1726. Urban local government system was constitutionalised in1992 through the 74th Constitutional Amendment Act.

74th Amendment Act of 1992: Part-IX was added to Constitution of India for urban local governance through 74th Amendment Act and this part is entitled as "Municipalities". Twelfth Schedule was also added to Constitution containing eighteen functional items of municipalities through this Act. This Act was introduced to strengthening the urban local government.Some of the salient of features of the Act are:

(i) **Three types of Municipalities:** This Act provides for the three types of municipalities- 1) Nagar Panchayat for transitional area, 2)Municipal council for smaller urban area and 3) Municipal corporation for larger urban area.

(ii) **Composition:** All the members of municipality are elected directly by the people of municipal area. Each municipal area is divided into

wards, a territorial constituency is known as ward. Other members of municipality besides elected members are-a)persons having special knowledge and experience in municipal administration, b) Members of Loksabha and MLAs representing constituencies that comprise wholly and partly the municipal area., d) Members of Rajya Sabha and the State Legislative Council registered as electors within the municipal area, d) Chairpersons of committees except ward committee

(iii) **Wards Committees:**The Act provides for constitution of a ward committee within the territorial area of a municipality having three lakh or more population. A ward committee is consisting of one or more wards. The state legislature may make any provision for the constitution of committees in addition to the wards committees.

(iv) **Reservation of Seats:** The Act provides for the reservation of seats for the Scheduled Caste and Scheduled Tribes in every municipality in proportion of their population in the municipal area. It also provides for the one-third reservation of total number of seats for women.

(v) **Power and functions:** The state legislature may provide powers and authority to municipality to work as institutions of self-government. Municipality may make and implement plan for economic development and social justice.

(vi) **Term of Municipalities:** Normally municipality enjoys a term of five years. But it can be dissolved before the completion of its term. A fresh election shall be completed before the expiry of six months from the date of dissolution.

(vii) **State Election Commission:** All the powers relating to the municipalities elections are vested in the State Election Commission. State Election Commission is responsible for supervising, directing and controlling the municipality elections. The preparation of electoral rolls, creation of electoral rules and regulations is performed by the State Election Commission.

(viii) *Finance:* The state legislature can authorize a municipality to impose and collect taxes, duties, tolls and fees. The state legislature may

provide for making grants-in aid to the municipalities from the consolidated fund of the state,and may provide for constitution of funds for crediting all moneys of the municipalities.

- **Organizations and functions of Urban Local Government:**
  - **Nagar Panchayat:**

    Nagar Panchayat is established for a transitional area. Transitional area means an area in transitional from a rural area to an urban area.Besides this other factors may be taken into consideration like population of the area, density of population, revenue generated for local administration, economic importance of the area etc. However, the minimum population required for setting up a Nagar Panchayat is not uniform in all states.

    The number of members of Nagar Panchayat varies between nine and twenty depending upon the population of the area and prescribed by the government. There are three categories of members of the Nagar Panchayat: Elected members, Nominated members and Ex officio members. Nagar panchayat has a term of five years. But it can be dissolved earlier on certain grounds like negligent in performance, incompetent to perform etc. There is provision for reservation of seats for Schedule Caste,Schedule Tribes and women. One third of the total numbers of elected seats are reserved for women.

    Nagar Panchayat is headed by a Chairperson. He or she is assisted by a vice president. The Chairperson has access to all records of the Nagar Panchayat and has the right to be informed about the working of the Nagar Panchayat. He/she calls meetings and presides over them. Nagar panchayat perform two types of functions- obligatory and discretionary. The obligatory functions include water supply, drainage, street lighting, sanitation, health etc. The discretionary functions include primary education, bathing ghat, slum improvement etc. The main sources of revenue of Nagar Panchayats are taxes, fees, levies or rates

imposed by Panchayat, license fee for business, loans raised by panchayat, grants and donation given by central or state government or other organization.

- **Municipal Council:**

A Municipal Council is set up for smaller urban area. But what is a smaller urban area has to be decided by the State Government. Each council consists of different categories of members- Elected members, Nominated members, Ex-officio. There is provision for reservation of seats for elected members from ST/SCs in proportion to their population in the smaller urban area.One third elected seats are reserved for women. The Municipal Council is headed by Chairperson. The Chairperson exercises all powers and performs all functions imposed on him. He or she calls meeting of municipal council and preside over them. The Council performs functions through committee, there are two types of committee- standing committee and Wards committee. Municipal Council performs two types of functions- mandatory and discretionary. List of functions performed by these Councils is not uniform in all the states. The main sources of revenue of Municipal Council are grants-in-aid given by the state government or union government, taxes, fees, rates etc. levied by municipal council, fines and penalties etc.

- **Municipal Corporation:**

A Municipal Corporation is established in a large urban area, having certain minimum population, a minimum standard of financial income and higher degree of urbanization. State government decides whether a city constitutes a large urban area or not. The criteria to formation of a corporation are not uniform in all states. Municipal Corporation has more power than Nagar Panchayat and Municipal Council. It is established by a specific legislation passed by the state legislature. In case of union territories it is established by legislation passed by the

Union Parliament. Basically Municipal Corporation has three main organs-a) Mayor and the Corporation(council), b) Standing Committees and Wards Committees c) Municipal Commissioner.

The Municipal Corporation has a term of five years. But it can be dissolve earlier on specific grounds. There are three categories of members in Municipal Corporation. They are-a) Elected members, b) Nominated members, c) Ex officio. Seats are reserved for Scheduled Caste and Scheduled Tribes in proportion to their population. One third of total elected seats are reserved for women.The Corporation has the power to discuss matters within its jurisdiction, makes bye-laws, pass annual budget etc. The Corporation is headed by Mayor. Sessions of Municipal Corporation are presided over by the Mayor. Generally Municipal Corporation performs two types of functions -mandatory and discretionary. Mandatory function include roads, bridge public health, urban forestry etc.



LET US KNOW

Twelfth Schedule of the Constitution of India contains eighteen functional items of municipalities. These are-urban planning including town planning;regulation of land use and construction of buildings;planning for economic and social development;roads and bridge;water supply for domestic, industrial and commercial purposes;public health, sanitation, conservancy and solid waste management;fire services;urban forestry protection of the environment and promotion of ecological aspects;safeguarding the interest of weaker sections of society, including the handicapped and mentally retarded;slum improvement and up gradation; urban poverty alleviation;provision of urban amenities and facilities such as parks, gardens, playgrounds;promotion of cultural, educational, aesthetic aspects;burials and burial grounds, cremation and cremation grounds

and electric crematoriums;cattle ponds, prevention of cruelty to animals;vital statistics including registration of birth and deaths;public amenities including street lighting , parking lots, bus stops and public conveniences;regulation of slaughter houses and tanneries.



CHECK YOUR PROGRESS

Q.3: Who is called as the father of local governments in India?

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Q.4: In which year and through which amendment Act Panchayati Raj system was constitutionalised?

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Q.5: Write briefly about two features of the 73rd Amendment Act.

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Q.6: Mention two features of the 74th Constitutional Amendment Act.

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15.6 LOCAL GOVERNMENT IN THE UNITED STATES OF AMERICA

The United States of America has federal system of government. The American Constitution has established a national government and also recognized the governments of various states. Local governments are integral part of the American governance system. The power of establishing local government is exercised by state government.The United States of America has a strong tradition of local self-government. Local government in America has no legal independence. Local governments are set up by state and they are dependent on the state government under which they

exist. Local governments are entirely controlled by the state government and state government may abolish them. State government set the power and functions of the local governments. Depending upon area and population,the state government describes the form of government a locality may adopt.

- **Forms of Local Government in the United States of America**

A huge amount of local government units serve the people of the USA. It is difficult to tell the numbers of local government unit in United States. Various new units are created and some others vanish. There are various forms of local governments in USA. The counties, township, municipalities and special district are common forms of local governments. But their power and functions is different state to state and all the forms do not exist in every state.

a) **The county:** TheUnited States of America has been divided into many counties for the purposes of local government. Counties are the territorial and political subdivision of a state. Every state of USA has county form of government except Connecticut and Rhode Island. Counties are called parishes in the state of Louisiana and they are called boroughs in Alaska. The number of counties within a state varies from state to state and counties differ in size and population. Countygovernments also vary considerably in powers and influence. "In rural areas and in the South, early settlements were spread out over large areas, with few towns and villages. One town in each county became the seat of county government(https://www.barren.kyschools.us/userfiles/1796/Classes/10043/ch24.pdf)

States provide county governments with a variety of organizational structures. The governing body of the county is known as county board. The name of this board varies state to state. Board members are almost always popularly elected officials. County boards enjoy legislative powers according to state law. For the most part, county boards decide on the county budget, taxes and zoning codes. In many counties the county board enjoys both executive and legislative

powers. County governments supervise elections, issue certain licenses, keep records of vital statistics and administer many services.

b) **Municipality:** "A municipality is an urban unit of government- a town, borough, city, or urban district that has legal rights granted by the state through its charter. The firstcharters were much like charters for private corporations, except that towns and cities were much more narrowly controlled."(https://www.barren.kyschools.us/userfiles/1796/Classes/10043/ch24.pdf). Most states divided municipalities into classes depending on their population.

There are three basic forms of municipal government: the mayor-council form, the commission form and the council-manager form.

i) **The mayor-council form:** The mayor council form of municipal government is the oldest type of municipal government. It is the most widely used form of municipal government. About half of cities in the United States of America use this form of government. Executive power belongs to an elected mayor, and legislative power to an elected council. Most city councils have fewer than 10 members, who usually serve 4-year terms. There are two types of mayor council government: a) strong-mayor system and b) weak-mayor system. In the strong mayor system the mayor has strong executive powers. In weak-mayor system the mayor has only limited powers.

ii) **The Commission form:** "The commission form of municipal government combines executive and legislative powers in an elected commission, usually composed of five to seven members. Each commissioner heads a specific department and performs executive duties related to that department(https://www.barren.kyschools.us/userfiles/1796/Classes/10043/ch24.pdf). There are various departments like police, fire, public works, finance etc. One of the commissioners has the title of Mayor. The Mayor carries out only such ceremonial functions, he or she has no additional power. Today only a few American

cities use the commission form of government because of its weakness. This form government had serious defects like absence of powerful leader, lack of strong executive etc.

iii) **The council manager form:** The council-manager form of government is one of the most common forms of municipal government in the USA. "Under a council-manager form of government, legislative and executive powers are separated. The council of between five and nine members acts as a legislative body and makes policy for the municipality. A manager carries out the council's policies and serves as chief administrator"(https://www.barren.kyschools.us/userfiles/1796/Classes/10043/ch24.pdf).The key feature of the council-manager plan is the office of city manager. City manager is the chief executive. He/she is appointed by the council. City manager appoints municipal workers, prepares budget and performs day to day affairs. The Council-manager form includes a mayor with limited powers. Some experts believe that the council manager form of government bring better management and business techniques into government.

c) **The Special District:** The special district is a unit of local government in USA. The system of special district is found all over the country. The special districts are found both in urban and rural areas. The special district deals with a specific function, such as education, water supply, transportation etc. There are districts for schools, roads, drainage and so on. The most common example of special district is the local school district. The special districts exercise their power through a governing body including directors, commissioners or trustees. The members of governing body are elected by the people. But in some cases they are appointed by some state and county authority.

d) **The New England Town:** Thomas Jefferson described politics in the typical New England town as "the perfect exercise of self -

government." The governing body of New England town is called town meeting. It is composed of qualified voters of the town. Citizens can participate in the lawmaking process, speak on taxes and appropriated money for public project. Town meeting can pass bye-law relating to police, water supply, electricity etc. A voter can speak freely in the meeting. The town meeting is a form of direct democracy but now it becomes complex and impractical. In larger town voters elect their representative to attain town meeting.

e) **Township:** Township is a unit of local government. In many states, counties are divided into Townships. The Township enjoys those powers which have been granted to it by states. The functions of township vary from state to state. State provides a governing body for each township, governing body is called board of supervisors in some states. It consists of three elected members. In many states primary functions of township are road building, road maintenance, police, fire protection etc. A township can control school, poor relief and highways and so on. Township may assess and collect taxes on behalf of the state and county.



CHECK YOUR PROGRESS

Q.7: Mention various types of local government that exists in the USA.

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Q.8: Mention various forms of municipal government in the USA.

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15.7 LET US SUM UP

- Local government operates at the grassroots level. In simple language it can be said that local government is a statutory body in a specified local area (village or city), having the power to raise revenue through taxes for various local services like water, sanitation, education etc.
- Local government institutions have existed in India since ancient times. Lord Ripon gave a new dimension to government in India. Lord Ripon was considered as the father of Local Government in India.
- Generally, local governments in India can be divided into two categories: Panchayati Raj and Municipalities. Panchayati Raj in India signifies the rural local self-government and Municipalities signify the urban local self-government.
- The Panchayati Raj system was constitutionalised through the 73rd Constitutional Amendment Act in 1992. All the states of India have established Panchayati Raj system through the Acts of state legislature.
- 73rd Amendment Act provides for a three tier system of Panchayati Raj system. These are- Village Panchayat at village level, intermediate Panchayat at block level and Zila Parishad at District level.
- Urban Local governance means the governance of an urban area by the people through their elected representatives. The jurisdiction of an urban local government is limited to a specific urban area. The institutions of urban local government were originated and developed during British rule in India. The first municipal corporation in India was set up at Madras in 1687-88.
- Urban local government system was constitutionalised in 1992 through the 74th Constitutional Amendment Act. This Act provides for the three types of municipalities- 1) Nagar Panchayat for transitional area, 2)Municipal council for smaller urban area and 3) Municipal corporation for larger urban area.

- The United States of America has federal system of government. The American Constitution establishes a national government and also recognizes the governments of various states. Local governments are integral part of American governance system. The power of establishing local government is exercised by state government.
- A huge amount of units of local government serve the people of the USA. There are various forms of local governments in the USA. The counties, township, municipalities and special district are common form of local governments. But their power and functions is different from state to state.



15.8 FURTHER READING

1) Indumathi, J. (2016). *Decentralisation and Local Governance*. New Delhi: Alfa Publications.
2) Nagendra ,Shilaja. (2015). *Panchayati Raj System in India*. Ishika Publishing House.
3) Nigam, S.R. (1982). *Local Government*. New Delhi: S.Chand & Company Ltd.
4) Sharma,M.P, &Sadana, B.L.(2005).*Public Administration in Theory and Practice*. New Delhi: Kitab Mahal.



15.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q. No. 1: True

Ans to Q. No. 2: (i) Local Area: Like any other government, local government operates in a geographical area. Local government operates in local areas such as cities and villages.

(ii) Statutory Status: Local government enjoys statutory status. It is created by a specific laws or statutes like for example the Assam Panchayati Raj act (1994).

Ans to Q. No. 3: Lord Ripon.

Ans to Q. No. 4: 1992, 73rd Constitutional Amendment Act.

Ans to Q. No. 5: (i) Three Tier Systems: 73rd Amendment Act provides for a three tier system of Panchayati Raj system. These are- Village Panchayat at village level, intermediate Panchayat at block level and Zila Parishad at District level.

(ii) Election of Members and Chairpersons: All the members of Panchayati raj from village level to the district level are to be elected directly by the people. The Chairperson of village Panchayats are elected directly by the people while Chairpersons of the intermediate and district level Panchayats are elected by members amongst them.

Ans to Q. No. 6: (i) Three types of Municipalities: This Act provides for the three types of municipalities- 1) Nagar Panchayat for transitional area, 2) Municipal council for smaller urban area and 3) Municipal corporation for larger urban area.

(ii) Reservation of Seats: The Act provides for the reservation of seats for the Scheduled Caste and Scheduled Tribes in every municipality in proportion of their population in the municipal area. It also provides for the one-third reservation of total number of seats for women.

Ans to Q. No. 7: The counties, township, municipalities, special district etc.

Ans to Q. No. 8: The mayor council form, thecommission form and the council manager form.



15.10 POSSIBLE QUESTIONS

Q. 1 : In which year was the Assam Panchayati Raj Act passed?

Q. 2 : By which Amendment Act the 11th Schedule was added to the Constitution of India?

Q. 3 : State the meaning of local governance.

Q. 4 : Explain various characteristics of local governance.

Q. 5 : Examine salient features of the 73rd and 74th Amendment Acts to the Constitution of India.

Q. 6 : Discuss the Panchayati Raj system in India.

Q. 7 : Discuss the urban local governance in India.

Q. 8 : Discuss various forms of local government unit in the USA.

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Name of the Paper: .....
Course Code: .....

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Learner's Feedback on Course

Dear Learner,

Regarding the course as mentioned above, we would like to know your opinions and comments so as to improve the quality of self learning materials in future. Please respond to the following statements by ticking the number you feel most reflect your opinion. After completion of the additional comments, please detach the page and send/mail the same to us at the address given below.

The Director, Centre for Internal Quality Assurance, KKHandiqui State Open University
Housefed Complex, Dispur, Guwahati-781006
(E-mail id: ciqa@kkhsou.in)

1) Approximately how many hours did you spend for studying the units in the course? ☐☐☐

2) Please give your opinions (by ✓ mark) to the following items based on your reading of the block:

Sl. No.	Statements	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
I)	The SLMs of the course fulfil the learning objectives set out in the beginning of each unit					
II)	The units of the SLM could satisfy my academic needs and expectations					
III)	The Unit writers have excellent knowledge about the course contents					
IV)	Language and contents of the units were presented at a level which I could readily understand					
V)	Ample opportunity for participation in the activities provided in the units					
VI)	Used enough Illustrations (Diagrams, tables etc.) for conceptual clarity					
VII)	Quality of content is engaging, relevant, and up-to-date					
VIII)	The self check questions are very helpful					
IX)	The Possible/model questions and the answers to check my progress have benefited me a lot					

Additional Comments: *(Please feel free to provide your open comments)*

1) Which aspects of the SLM, according to you, worked well?

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2) What sort of changes/improvements do you feel KKHSOU could implement to improve the overall quality of the SLM?

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Thank you for taking the time to complete this form.