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**PUBLIC ADMINISTRATION**  
AND  
**ECONOMIC DEVELOPMENT**

BY

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The views expressed are entirely personal.

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# Public Administration AND Economic Development

## Introductory

The problems of Public Administration with which I propose to deal this evening, have been the subject of considerable discussion in recent years. Since public anticipations of rapid progress have remained unfulfilled despite independence, doubts are naturally and rightly expressed about the efficiency of the machinery of administration. I propose to invite your attention to certain aspects of these problems, which seem to me to be of vital and direct concern to economic development.

2. The existing machinery of administration is inherited from the past and was originally designed to meet the needs of a colonial State. Its principal objective was to maintain internal law and order and to promote the development of a satellite economy, complementary to that of the ruling power. Its methods were based on the *laissez faire* philosophy of the ruling power and the fear of popular revolt and avoided interference with the social and economic life of the country as far as possible. Its principal agency of control was the Indian Civil Service, which was a centralised hierarchy of permanent officials, forming the civilian counterpart of the military occupation forces. The machinery provided a clear and uninterrupted line of command from the Viceroy at the apex to the lowest official at the base, so that at the pressing of a button, the current of authority could be transmitted through successive layers. Though the setting up of democratic institutions, in course of time, led to a partial transfer of power to popular Ministers, the State continued to be a 'police State'.

3. The coming of freedom brought about a complete change in the situation. The aspirations of the people for a good life, suppressed for long under foreign rule, clamoured for immediate satisfaction. The responsibility for all ills, conveniently placed on the foreign rulers in the past, lay squarely on the shoulders of the National Government. The belief that self-government was better than good government had to be demonstrated in practice. The State had now become a 'social service' State.

4. The change in character added enormously to the functions of government. It had now to safeguard the liberty of the individual by providing him adequate scope for the development of his personality. It had to enforce social justice, so that each might receive an equal share in the national product. It had to secure rapid improvement in the standard of living. It was now responsible for the economic and social development of the people.

5. The process of economic development is exceedingly complex. It involves much more than the mere provision of mechanical equipment. It requires an attitude receptive to new fields and new methods of production. It calls for a social organization that encourages enterprise and investment. It needs the co-operation of technical and managerial skills. It requires a healthy and well-trained labour force that can adapt itself to new methods of production. And above all, it calls for an increase in capital accumulation and its investment in productive enterprise. The impact of all these factors has besides to be large enough to expand output at a rate higher than that of the increase in population.

#### **Machinery for Development**

6. The machinery for development varies from sector to sector. In the field of agriculture, investment is necessary in small doses over a large number of small units of land, dispersed over a wide area. The institutional channels must be so devised as to deliver equipment, technology and finance at the gate of every farm. The qualities of leadership and enterprise must be discovered from within each village. In the field of industry, on the other hand, investment is necessary in large doses and has to be applied to a small number of large units of business. Institutional channels must provide for the transportation of products over long distances in order to market them over a wide area. The conflict of interests between labour and capital must be resolved. The field of power, communications and social services provides a further contrast. In this field, investment has to be undertaken despite the absence of direct and measurable benefits in the short-period from specific projects. The benefits are widely diffused and the institutional channels for meeting the cost are not easy to devise.

7. The machinery also varies from one stage of development to another. The stage of development is determined by the size, spread and mobility of population, the level of incomes and savings, the spirit of venture, the diffusion of literacy and skill, and the ethics and traditions of public life. In an under-developed country, with

a large illiterate population, scattered over wide spaces and subsisting at a low level of incomes, the administrative machinery has to be organized on a basis entirely different from what might be appropriate in a country with a small, highly skilled population concentrated in a compact area, and enjoying a high standard of living. The machinery must be continually adapted as the economy develops from one stage into another. The nature and character of the machinery must reflect the needs of society, and as these needs change in the process of growth, the machinery must change as well.

### **Machinery in Under-developed Countries**

8. The essential requirements of any machinery in undeveloped countries are more or less of general application.

Firstly, the items of development must satisfy the basic needs of the population, such as food, water, clothing and housing, amongst consumer goods, and fertilizer, cattle-feed, roads and irrigation amongst producer goods.

Secondly, speed must be the essence of the machinery. The fruits of development must be reaped by the generation which has suffered long and laboured hard for it rather than be deferred to the future. The atmosphere of discontent and frustration must immediately be replaced by an atmosphere of confidence and enthusiasm.

Thirdly, compact areas of intensive development must be dotted all over the country. The concentration of activity at a few selected points would mobilise mass effort, which cannot but gather momentum and spread to neighbouring areas. It would ensure that the performance would be rich enough to create a feeling that the waiting was worthwhile. The proof of accomplishment would help to re-establish faith all over the land.

Fourthly, the machinery must provide the maximum scope for private enterprise. No motive is so potent in a backward community as the profit motive and no resources so scarce as the supply of persons with imagination and enterprise. Every individual with creative potentialities must be afforded the maximum scope for productive activity, without being tied down by red-tape, rules and regulations.

Fifthly, the machinery must be completely decentralized in operation, if local needs are to be satisfied, and local co-operation is to be won. The hierarchical principle and the centralization of command are out of place in a backward economy, where each individual of ability and skill must constitute in himself the spiral of development.

4. The change in character added enormously to the functions of government. It had now to safeguard the liberty of the individual by providing him adequate scope for the development of his personality. It had to enforce social justice, so that each might receive an equal share in the national product. It had to secure rapid improvement in the standard of living. It was now responsible for the economic and social development of the people.

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Sixthly, the productive processes must combine more labour with less capital, and have a shorter 'period' of production. The production should be through small units of business employing a relatively simpler type of plant and equipment. This would utilize the large resources of manpower and the limited supply of savings to maximum advantage.

9. The machinery must also provide for mass education and population control. Since the supply of persons of enterprise and imagination is the principal bottleneck, educational effort should aim at augmenting the supply. The existing preference for formal education at University institutions should make place for education in the techniques of development and in the methods of getting things done. If while efforts are being made for improving the quality of the population, measures are also taken to reduce the rate of its growth, the strain on the machinery of development will be greatly reduced.

#### **Problems of Economic Development**

10. The environmental factors which are peculiar to each economy and even to each sector thereof must however give to the machinery employed in each country a distinctive and individual character.

11. In the sphere of Indian agriculture, for instance, the basic factors are clear. The bulk of the population is illiterate and has its roots in the villages. It draws its livelihood from agriculture, and is only partly employed. The size of the holding is too small for operational efficiency. The limits of extensive cultivation are reached. Intensive cultivation is not feasible without large increase in irrigation facilities. The occupation provides only a bare subsistence. There are no savings for investment.

Since development has to be effected at every farm and every home in the village, the machinery must utilize the existing local private or co-operative agencies for the distribution of seed, fertilizer and other materials, for the setting up of new industrial units for drawing out surplus population from agriculture, and for the investment of additional financial resources.

The larger irrigation works must, of course, be undertaken by the public machinery which must also be responsible for the construction of roads and the provision of educational facilities. The machinery must also initiate projects of intensive development in concentrated areas, experiment with different patterns of organization, and organize the training of potential leadership. It must secure an increase in the size of the operational unit,



whether by consolidation of holdings or by co-operative cultivation and mobilize local initiative and enterprise.

The most important functions of the public machinery would, however, be to purchase and sell stocks of strategic commodities in the open market at minimum and maximum prices, and to build up reserves of food grains. The open market operations in commodities would enable Government to maintain agricultural incomes above a minimum level, influence the pattern of agricultural production, and safeguard the interests of consumers. The reserves of food grains would enable Government to cope with famines and emergencies. These reserves could be built up out of imports and out of the production of State agricultural farms. The State could establish under its own ownership a chain of large-scale agricultural farms in different parts of the country, so that any internal supplies required by Government could be obtained without compulsory procurement or interference with normal channels. It could also accept the payment of land revenue in grain as an alternative to payment in cash.

12. In the field of Indian industry, the basic factors may be summed up briefly. The development of industry so far has been small. The cost of production is high, because productivity of labour is low. The potential internal market is large. The effective internal market is however small, because of the low incomes of the people and the high costs of manufacture. There is localization of industry in particular geographical areas, resulting in difficulties of transport. The labour supply is concentrated in a small number of cities, with consequent overcrowding and slums. The number of persons engaged in organized industry is only a small fraction of the population.

Though development must continue to depend principally on private enterprise, the public machinery can play an important catalytic role. It must ban the location of new units of particular industries in areas of their excessive concentration. It must ban their location within a radius of 20 to 50 miles of overcrowded cities. It must direct them to particular districts or 'tehsils' in the interior through inducements such as exemption from local rates, free construction of roads, and renting of land and buildings at nominal rents. It must ensure the location of at least one factory in every district or 'tehsil'. It must require new units to adopt capital-saving techniques so as to conserve financial resources. It could establish special machinery to initiate new units in lines of business in which they are unwilling to enter, help them through their initial difficulties, and encourage them to launch out later on

their own, releasing capital for similar assistance to others. This would provide additional work for the underemployed, improve local amenities, alter the habits and psychology of the people and initiate a spiral of development.

13. In the field of finance, the basic factors are as follows. The level of incomes is too low to leave any margin for the accumulation of savings. The scarcity of savings leads to an excessive premium on security. The capital is shy and tends to be invested in hoarding of bullion and commodities. The banking institutions operate mainly in urban areas and even there, the cheque habit has yet to grow. The financial needs in rural areas are met by money-lenders, and co-operative banking has yet to make any profound impact therein. The need for finance in all sectors is great; the security available is unacceptable under existing banking practices; and the institutional framework is sketchy.

The principal problem here is of creating confidence in the integrity of banking institutions amongst an illiterate rural population. The popularisation of the banking habit for the collection of savings, the safe custody of valuables, and the borrowing of loans is vital for long-term economic development. The banking institutions must of necessity be of a multi-purpose character. The number of qualified persons in each locality is small, and it is easier to nurse and build up the reputation of a single multi-purpose institution than of numerous specialised institutions.

The other problem is of ensuring that development takes place with stability and without inflation. Since the supply of savings is limited, the pace of investment will have to be forced; though deficit financing is thus unavoidable, excessive reliance on it will be self-defeating. The demand for monetary investment must, therefore, be reduced by concentrating on projects of a local character. These should be executed by mobilizing the under-employed and unemployed labour force in the locality, going waste at present for want of direction. Desilting of tanks and wells, construction of village roads and houses and intensive agricultural operations of various types could be undertaken with little monetary investment, provided local leadership is harnessed and local enthusiasm is evoked.

The machinery of Public Administration can render powerful assistance to private, commercial and co-operative channels. The efforts of the machinery should be directed to the positive promotion of the banking habit rather than to the negative regulation of existing institutions in accordance with advanced standards. It must recognise that money-lenders, indigenous bankers, and small banking

units are deeply embedded in the social structure and have a useful service to perform. It must appreciate that the traditional preferences of the public for the investment of savings in bullion, ornaments and fixed deposits instead of in shares or other assets are based on psychological factors closely linked up with the stage of development. It is necessary in the short-run to adapt the institutional framework to these factors, rather than to expect these factors to adapt themselves to a theoretically satisfactory framework of institutions. The public machinery should assist commercial and co-operative agencies in opening new branches, maintaining bank accounts of small amounts, and undertaking safe custody of valuables by the grant of special subsidies. It should insure private deposits in small-scale non-scheduled banks and joint stock companies through a special fund formed out of premium payments and subsidies. It should rediscount loans made by moneylenders to agriculturists on the security of land or produce, and assist them in bringing down the rural rate of interest. It should permit commercial banks to develop multipurpose activities and to make limited advances to industrial concerns for long-term purposes. It should abolish Government Treasuries, extricate itself from excessive reliance on a single commercial bank and distribute its business equitably amongst different agencies. It should freely accept cheques or drafts in payment of Government dues and should subsidise the free collection of cheques all over the country. The policy should be not to weed out the weaker institutions, but to find ways of strengthening them; not to lay down uniform obligations for the strong and the weak, but to adjust obligations to their respective capacities. In a situation of inadequate coverage, marginal institutions must receive protection and pioneering enterprises every encouragement. The time for the close regulation of banking and the enforcement of advanced standards of business will come only after the banking habit has spread widely, and banking agencies have reached into every locality.

14. These are the tasks which face the machinery of public administration in our country, and it is the efficiency with which these tasks are accomplished that will determine the adequacy of the existing machinery.

#### **Legislative Organs and Administrative Machinery**

15. The objectives and character of the machinery are determined by the legislative organs which express the will of the people, and set limits within which it must work. The structure, functions and powers of the legislature have been laid down in the Constitution and must therefore be taken for granted. There are

certain comments however, which must be made in the context of economic development.

16. Firstly, there is a tendency amongst legislative organs to start from abstract concepts such as liberty and equality, deduce therefrom measures of development considered appropriate for giving effect to them, and pass on the measures to the administrative machinery for execution. These measures only too often prove to be beyond the capacity of the machinery, bring the Government into contempt, and produce despair and frustration in the country. The legislative organs should instead start with an inductive analysis of local needs, proceed to make a realistic appraisal of the strength and quality of the machinery and consider the administrative feasibility of alternative lines of legislative action. This reversal of the process would prevent the imposition upon the machinery of tasks of a magnitude which it obviously is unfit to discharge. It would ensure the successful achievement of the allotted task, which would in its turn create confidence for the achievement of the other tasks to follow.

17. Secondly, the concepts of social justice adopted should be consistent with the stage of development of the economy. The pursuit of advanced philosophical concepts goes ill together with primitive techniques and inefficient production. The history of ideas shows that the concept of economic freedom has developed in its content, *pari passu*, with the development of technology and enterprise. The diffusion of technical knowledge in India has not kept pace with the diffusion of ideas. Unless the definition of social justice is toned down to what the traffic can bear, the tempo of development would be seriously slowed down. The equitable distribution of the national product amongst different sections of the people is no doubt important; but an expansion of the national product is even more imperative. The additional shares of particular sections should come not through a reduction of the shares of others, but through a general increase in prosperity. It is only as the economy develops and as the development gathers momentum that the machinery of the State could be safely used for enforcing a fair distribution of incomes. Until then, the accent has to be on expansion of production, subject to such safeguards as may be necessary for protecting a minimum standard of living. The minimum should be adjusted to different sectors and different areas and should rise with rise in their productive potential.

18. Thirdly, the tendency towards increasing centralization of functions should be halted. The usual grounds for centralization

such as the needs of planning and co-ordination, the unification of the country, and the universalization of the standards of services do not have the same weight in an under-developed economy as in a developed economy. The removal of the seat of consideration and decision to a point too remote from the individual engenders in the machinery an attitude of wooden indifference, multiplies red-tape, and causes delays in administration. The endless consideration of measures paralyzes action and produces a sense of impotence in the individual. The excessive concentration of authority through a hierarchical process causes frustration among intermediate officials who may have the gifts of leadership but may have no opportunity to exercise them. The machinery of public administration must, above all, be responsive to the public. Such responsiveness is maximised only if it discharges its functions at a level close to the individual. This involves that power should be vested, as far as possible, in the local authorities and the State Governments. The Centre should exercise power only in areas of national concern and its overall authority in other areas should be used only at the request of the states or on appeal by important sections of the people against the states. The emphasis during the present stage of development should be on experiment and flexibility rather than on rigid application of uniform patterns.

19. Fourthly, it must be realized that State monopolies, which are a natural corollary of centralization of functions, can be in practice as dangerous as private monopolies. The new incentive of public good has not yet taken as deep a root in the psychology of the administration as the old incentive of private profit has in individual psychology. The administrative machinery in a backward economy cannot undertake the diverse functions at present performed by private agencies. The widest possible field must, therefore, be open for the operation of private enterprise and the intervention of Government must be limited to the safeguarding of minimum standards of living and work and the maintenance of essential services. The intervention in other fields should as far as possible be through moral suasion and grants-in aid, rather than through the issue of directives, the enactment of legislation, or the constitution of State monopolies.

20. Finally, the limits to the principle of accountability of the machinery of administration to the Legislature must be clearly recognised. The claim of the Legislature to be the custodian of the public interest is based on the Constitution. Its right to insist that the taxpayer should be paid back in benefits and services every rupee's worth of the taxes paid by him is undoubtedly valid. The rigid

enforcement of this right has led however to the spread of Government ownership and management of commercial enterprises, constant interference with the autonomy of State Corporations, continuous probes in the organization, staff and expenditure of Government departments, and frequent censure of Government officials for inadequate performance in new and uncharted spheres,

It has to be remembered that the Civil Servant and the businessman both come from the same society, and neither can escape the influence of society in the development of his character. If the Civil Servant can prove amenable to treatment and can be trusted to respond to the appeal for service, so can the businessman, even if the treatment might need to take different forms and the appeal be couched in different terms. The ethics of commercial enterprise are, it is true, not yet as well established as the code of conduct of civil servants; on the other hand, commercial enterprise possesses greater *expertise* and displays greater managerial capacity in certain spheres than civil servants. In an under-developed economy, no scarce resources could be allowed to go waste and commercial enterprise must therefore be harnessed to purposes of development, despite its deficiencies. This display of confidence in its public spirit should promote parallel improvement in commercial ethics.

It should also be realised that continuous suspicion and probing into the working of Government departments or State Corporations demoralize the staff, restrict their initiative, and serve notice on them that they do not enjoy the confidence of Government. While an occasional inquiry might serve a useful purpose, continuous investigation brings Government to a stand-still. The administrative machinery has been put to uses for which it had neither previous experience nor competence nor previous precedent for guidance. It is to be expected therefore that mistakes should be made, money lost, and grounds provided for concern. These are however the pangs of development and the costs of training. The machinery is learning by doing, and it is inevitable that the products of the process of learning should be less finished than the products of industry. It is for Government to decide whether the machinery should be put to work in lines for which it is not fitted; but if it chooses to so put it to work, it should be prepared to pay for the lessons of experience. The failure of the machinery to come up to expected standards of achievement need not always be attributed to negligence or dereliction of duty; it might well have been due to the lack of equipment and the absence of training. The purpose of legislative investigation should not be limited to finding fault, fixing responsibility, and punishing the wrong-doer, but to ascertaining causes, improving

methods and preventing recurrence. The subsequent action taken should be corrective and not punitive; it should not destroy morale or inhibit initiative. While wilful neglect and illegal gratification should be sternly punished, legitimate risks and executive enthusiasm should be warmly encouraged.

The fact of the matter is that the principle of accountability can no longer be enforced in the time-honoured manner because of the sheer pressure of Parliamentary business—not even if the Legislature sat continuously for twentyfour hours a day, throughout the year. The Legislature must therefore exercise self-denial, delegate powers to autonomous institutions, and resign itself to round-about methods of control.

### **Structure of the Administrative Machinery**

21. The policy laid down by legislative organs is translated into programmes of development by the machinery of administration. The structure of the machinery must be so organized that it remains responsive to the public and sets the premium on getting things done quickly. The former requires that local needs be met locally, local grievances be heard and redressed locally, and local officials be vested with the power for decision. The latter requires that excessive deliberation be avoided, needless prior consultation be eliminated, and necessary risks be willingly taken. The structure of the machinery must therefore have a very wide base and must have its apex not too far removed from it. The field staff at the base should be as large as possible, so that each official has a manageable jurisdiction; the staff at intermediate levels should be more than adequate for effective supervision and inspection; and the Secretariat staff at the apex should be no more than the essential minimum. It should be recognised that the services performed by the field and intermediate staff are in every respect as responsible as those performed by the main Secretariat, and no discrimination should be made between them in respect of salary or status.

22. The field machinery should be organized on the territorial basis, since in an underdeveloped country, the important thing is to provide leadership to small communities and redress their grievances on the spot. The territorial unit at the base should be as small as possible and the public agencies therein should be integrated into a single point of command. The charge of the Collector should be greatly reduced and he should be vested with administrative authority over other functionaries within the area under his charge. He should function as the centre for appeal and decision in all matters and should be within easy reach of the people in the circle. He should have

authority to co-ordinate all developmental measures within his jurisdiction. The number of posts of Collectors would thus have to be greatly increased. Effective inspection and supervision should be organized at different levels between the district and taluka officials at the base and the Secretariat officials at the top. The visits of inspecting and supervising officials should provide to the local population, opportunities for appeal against the decisions of local officials and should provide to the officials, opportunities for advice and guidance in the enforcement of Government policies. The posts of Divisional Commissioners would, therefore, have to be revived and their number increased. The local specialist officials, though subordinate to and under the orders of the local Collector, should have the power to refer differences on technical issues to their departmental superiors, who should try to co-ordinate activities in the specialist field.

23. The Secretariat machinery should be small and compact. It should evolve a co-ordinated policy on the basis of general principles laid down by the Legislature, tempered by the practical advice tendered by administrative officials. In this connection, four comments are relevant.

Firstly, the responsibility for planning, co-ordination, and execution within each sphere of activity should be formally and completely vested within the department concerned, without any requirement of prior sanction from other departments or agencies of Government. The principle of checks and balances is out of place in the relations of one department of the Secretariat with the other, since questions of real importance are brought up for decision at the Cabinet itself. Each department should be able to start, run, and stop at the press of a button, without the least friction or delay.

Secondly, the department should be self-contained in respect of any specialist services that it might need. It should make its own internal arrangements for statistical compilation and economic advice, short-term and long-term planning, and financial control. These services are getting highly specialized day by day and cannot be efficiently performed unless they are closely integrated with the sphere of their application. The secretariat specialist officials must function in close co-operation with and under the administrative control of the department responsible for action and development, if they are to be admitted to the inner councils of the department and are to receive full scope for the application of their specialized techniques. The specialist officials must however tender their advice fearlessly on matters falling within their field of



knowledge, on the basis of established procedures. They should have appropriate secretariat status and should be directly under the Secretary of the department. In the event of disagreement between them and the Secretary, the points of dispute should be referred post-facto to the relevant co-ordinating department.

Thirdly, the department should also be self-contained in respect of all housekeeping services such as the procurement of stationery, office equipment, and printing facilities. This would ensure that the speed of its operation is in no way slowed down by the mechanics of movement. Any pool of supplies and facilities under the control of Government should naturally be used by every department to the maximum extent, but it should be free to go to the open market at its own discretion.

Fourthly, any separation of activities into "attached" and "subordinate" offices should be accompanied by the grant of appropriate *ex-officio* secretariat status to the heads of such offices, so as to enable them to function without interference in trivial matters by junior officials from the main secretariat.

Fifthly, the co-ordinating Departments of Finance and Planning, should be compact in size and should operate with only a small staff directly under them. The departments should work principally through the respective specialist officials located in different departments. These officials, though administratively under the departments to which they belonged, should be professionally linked up with the co-ordinating departments. The co-ordinating departments should consolidate data in their respective fields, evolve orderly procedures for the use of other departments, advise on their application in practice, and resolve disputes between administrative departments and specialist officials. They should realise that it is their function to facilitate development rather than to impede it; to act as friends, philosophers and guides to administrative departments rather than as sentrys, prosecutors and magistrates. Administrative departments might act, on occasions, in ways not strictly in keeping with standard procedures; it is better, however, to rationalize such action later than to paralyse all action in advance. The present tendency in administrative departments to avoid responsibility for action by passing the baby around from one co-ordinating department to another must be halted by placing the responsibility firmly on the administrative departments themselves. The withdrawal of the power of veto from the co-ordinating departments would result in increasing the demand for their friendly co-operation and expert advice.

Sixthly, the functions of a Planning Commission could be best discharged by a committee consisting of Joint Secretaries in charge of planning, located in different departments under their respective control but functioning under a Department of Planning. The officers could undergo special training in planning techniques, and follow standard procedures worked out by the Planning Department. Their location in and subordination to the individual departments would win for them the confidence of the departments concerned, make their planning activities more realistic, and ensure the efficient execution of the plans made.

24. The expansion in public ownership and management has led to the creation of new machinery for the administration of State enterprises, such as the public corporation and the private company. The machinery is ostensibly autonomous in character, but has in fact been closely controlled by the concerned departments of Government and subjected to frequent investigations by the legislature. The management has usually been in the hands of civil servants without previous experience of business management. The co-operation of businessmen has occasionally been solicited but has not been easy to secure in the general atmosphere of suspicion. The public has had, in this machinery, the worst of both worlds, since these enterprises have enjoyed monopoly power and have been indifferently managed.

Under the circumstances, three lines of action suggest themselves.

Firstly, the area of State enterprise and management should be reduced to the minimum possible, and the State should ordinarily content itself with the instruments of licensing, publicity, and regulation.

Secondly, where State enterprise is considered necessary, it should be set up, as far as possible, in competition with private enterprise and without monopoly power. It should neither have special obligations nor be granted special concessions. It should be required to tender for Government contracts on the basis of quality and price in the same way as private enterprise. Its success or failure should be judged by the same yard-stick viz. the profit or loss in operation.

Thirdly, where a State monopoly is considered essential, it would be best, in the present attitude of the Legislature towards autonomous corporations, to set it up as a separate Government department. This would make it possible for the aggrieved to seek redress through normal constitutional channels, and make it possible for the enterprise to secure speedy action at the hands of the Secretariat. The

direct control of the Government is to be preferred to the fictitious autonomy of public corporations.

25. These considerations apply as much to the administrative machinery at the Centre as in the States. The machinery at the Centre should ordinarily concern itself only with the functions in the Central list of powers. Where functions are shared concurrently by the Centre and the States under the Constitution, the machinery at the Centre should be limited to the collection of data, the consolidation of plans and the supply of technical advice; the exercise of regulatory functions being left to the machinery in the States. The Central machinery should be organized as far as possible on an inter-State or federal basis, on the lines of the Indian Council of Agricultural Research or the Indian Medical Research Council. It would then be responsible not only to the Central Government alone but to all the Governments, Central and State, taken together. A machinery of this kind incurs less resistance, secures better co-operation, and proves more responsive in practice.

#### **Methods of Administration**

26. The efficiency of the administrative machinery will, in practice, be determined by the methods it adopts. In this connection, the following considerations are of decisive importance.

Firstly, the accent should be on getting things done quickly. It should be realised that improvisation of measures is more important than the preparation of elaborate blueprints; that timely patching up of dilapidated structures is more helpful than permanent constructions expected to be ready at some remote time in the future. It is necessary, therefore, to give up the insistence on elaborate educational requirements in recruitment and promotion. All that is necessary is to find persons with leadership and imagination and impart to them a minimum level of training. It is also necessary to insist, as far as possible, on the use of indigenous materials, even though this might affect the quality of the product to a certain extent. The ideal of perfectionism is a hindrance to development in an under-developed economy.

Secondly, the risks of development should be assumed by the strong instead of by the weak. The group is stronger than the individual; the State is stronger than the group. The dice should not be loaded against an illiterate people on the margin of subsistence. The premium on the written word, the demand for sureties, the requirement for security, etc. should be done away with as far as possible. The process of obtaining refund should be as simple and as

prompt in result as the demand for revenue. The payment of land revenue should be possible in kind through the agency of purchase and sale co-operatives. The risks of price fluctuations are better borne by the Government than by co-operatives or individuals. The principle of insurance should be extended to cover every type of risk in whatever field.

Thirdly, private commercial or co-operative channels should be utilized, as far as possible, for the performance of Governmental functions in preference to the setting up of State agencies. The distribution of electricity, the supply of seeds, manures, and other grow-more-food aids, the purchase of stores and stationery, the arrangements for printing and publication could all be entrusted to private agencies. The collection of revenue, the borrowing and disbursement of loans, and the allocation of grants-in-aid could be effected through private and co-operative banks rather than through Government Treasuries. The volume of public business has grown to a point where no State agency, howsoever large, could cope with it adequately.

Fourthly, the maximum use should be made of existing official or non-official organizations before new organizations are set up for new purposes. The supply of talent is limited in any locality and new organizations under different names merely bring forth the same persons in new capacities. It is simpler to delegate additional functions to existing organizations, which have the added advantage of having already developed a certain measure of *expertise*.

Fifthly, a single officer on special duty should be preferred for fact-finding or executive tasks to a representative committee or commission. The officer should consult different interests before making his recommendations. This would ensure that all interests are heard and an integrated solution is worked out on merits. The report of the officer could later be discussed with a conference of representatives.

Sixthly, when it is a choice between spreading the administrative machinery thinly over a wide area and concentrating it intensively over a few selected strategic points, the latter alternative should, as a rule, be preferred. The losses in friction are thereby minimized, the power of the impact creates its own momentum, and the spectacle of the results impresses the neighbouring areas.

Seventhly, the prescription of forms of returns should be avoided as far as possible. When returns are essential, the forms should be strictly related to the purpose; the questions asked should be few and the answers required should be short. The tendency to ask questions on every possible aspect of a matter merely for the sake of

symmetry and safety should be sternly repressed. The questionnaire is a curtailment of the freedom of the individual in an illiterate population ; it may lead him unwittingly into the breach of unknown regulations, bringing upon him the full weight of penal action. It should, therefore, be employed on a compulsory basis only on rare occasions.

Eighthly, the instruments of regulation should be as few and as simple as possible, and the rules should be laid down in easily understandable terms. Where regulations have to be enforced, the enforcement should as far as possible be through the municipal or State agencies rather than through the agencies of the Central Government. The general principle should be to promote development freely even if it meant rationalization later, rather than to obstruct development in advance through requirements of prior consultation and co-ordination.

### **The Civil Service**

27. The principal instrument of the administrative machinery is the civil service. The civil service consists of a number of services, the central position being occupied by the Indian Civil Service and its successor, the Indian Administrative Service.

28. The principal features of the Indian Civil Service through its long development have been five.

Firstly, recruitment to the Service is effected on the basis of a competitive examination, open to graduates in any of the arts or sciences. The accent has been on a broad general education, including the study of languages and natural and social sciences but excluding the professional or technical fields.

Secondly, the officers had to undergo, in the early years of their service, training in revenue administration and legal procedures. The emphasis, however, has been more on acquiring experience of administration through actual performance of a wide variety of duties at the 'tehsil' or district level.

Thirdly, the status and salary of the Service was fixed at a level higher than that of all the other Services, according to it a position of superiority and eminence.

Fourthly, the higher posts in all spheres of administration were reserved for officers of the Service not excluding, in many cases, administrative posts even in scientific and technical departments such as agriculture and engineering. The higher posts in the Indian Foreign Service and in public enterprises have also gone to officers of this Service.

Fifthly, the Service has developed a highly integrated character through traditions of mutual social intercourse on the one hand, and isolation from other Services and the public on the other. This has imparted to the Service the characteristics of a caste.

29. The basic principles underlying these features are three :

Firstly, Administration is considered to be a science by itself, proficiency in which could be acquired only through experience of district administration. Since administration is a science, the trained administrator could be employed in any administrative job, irrespective of the sphere of its location.

Secondly, the administrator is believed to be neutral as between different fields of specialisation, and therefore able to take a more disinterested decision on the basis of his general ability and common-sense as compared to a specialist official, who was likely to ride his own hobby-horse.

Thirdly, the permanent administrator, as an expert in administration, was the best person to advise the political minister of the day who was an amateur.

30. The time has now come when these basic principles need to be re-examined in the light of recent developments. It is widely recognized that the officers of this service have rendered distinguished and loyal service to the country, both before and since the transfer of power. It is necessary, however, to consider how far it is equipped to satisfactorily discharge the demands of economic development. The Indian Civil Service operates on the same principle as the British Civil Service which is commonly considered to be the most efficient Civil Service in the world. The remarks of Mr. Durbin of the London School of Economics, who was a member of the British Cabinet during the War years, with respect to the top officials of the British Civil Service, will therefore be of interest :

“They are intelligent, charming and conscientious men ; but they are not men of imagination or action. They are slow, cautious and obstructive. They are shrewd, but not wise, dependable but not creative. They are too often cynical rather than realistic.”

These remarks bring out the dangers inherent in the present system of organization and underline the need for its revision.

31. In this connection, it must be stated, firstly, that if the minister was an amateur, it was all the more necessary that his adviser should be an expert in the particular field in respect to which the advice was tendered. Since the minister himself provided the general knowledge and commonsense necessary for reaching a

decision, it was essential that he should be in direct and living contact with specialized knowledge and expert opinion in the particular field for which he shouldered responsibility. The type of permanent official on whom he must depend should therefore possess not the same kind of general competence that the Minister himself possessed, but should have specialised competence in the particular sphere which he lacked.

Secondly, it must be remembered that the science of administration is not a basic science as is Physics or Chemistry or Politics or Economics. It is only a science of method, as is Logic or Statistics or Mathematics. The science of method cannot develop far, in isolation of the field of its practical application. With increasing specialisation of the major branches of knowledge, the methodological sciences have to develop a parallel amount of specialisation. A statistician who has devoted years of work to the application of statistical methods to agriculture cannot suddenly switch himself to the sphere of medical or health statistics. It would take him years of work again before he could, if at all, develop the same level of *expertise* in the new sphere of application. During these intervening years, the benefit of his expert knowledge would be lost to the field which he had left, and his utility to the field to which he had been transferred would be negligible. The same is true of an administrator. It was no longer practicable to specialise in administration and pick up bits of knowledge of the field of its application as one went along; it was easier instead to specialise in the field of application and pick up knowledge of administration on the way through experience. The science of administration was in a sense more easily acquired than the science of agriculture or medicine or economics, which called for years of study. It was no longer enough to learn something of everything; the time has come when one has to learn everything of something and then stick to that field of learning for good. The movement of an officer from a high post in one department to a parallel post in another department results in slowing down development, because he naturally safeguards himself by prolonged deliberation and hesitant action.

Thirdly, in every specialist field, whether agriculture or public health or education, there exist specialist officers who are engaged in administration as distinguished from research. In the sphere of agriculture, there are Directors of Agriculture who are concerned with agricultural administration, as distinguished from Directors of Rice Breeding Stations or of Plant Institutes who are concerned with research. In the sphere of education, there are Inspectors of

34. It is necessary therefore to devise means by which the citizen could secure redress from the legislature against the indifference of the executive. As far as the citizen is concerned, it is the legislature that he has put into power for running the machinery of Government. If the legislature chooses to delegate its functions to the executive, it is its duty to ensure that such delegation does not result in stultifying the will of the people. The citizen has therefore the right, both individually and in association, to get his demands pressed and his grievances redressed by his elected representatives, provided of course they do not conflict with the public good. It is not enough for the elected representative merely to raise an interpellation or move an adjournment for this purpose; these rights can be exercised only infrequently, and only in respect of questions of policy. He should have access to the different agencies of Government so as to explain to them the grievances of his constituents provided of course he refrains from exercising undue pressure on administrative officials, who must be free to use their own discretion in the performance of their duties. He should have the right to take up the matter with the minister concerned, if he felt that the case of his constituent was just and the decision of the machinery unfair. He should maintain, at the cost of Government, an adequate secretarial staff for correspondence with his constituents and for preparing their representations for submission to the agencies concerned. When the elected representative is unable to secure redress but is satisfied that injustice has been done, he should have access to the Speaker who, if he is convinced of the *bona fides* of the case, could take the matter up himself on behalf of the Legislature. The speaker should have a secretariat under his personal control for dealing with such cases and for pursuing them with the various departments of Government. In cases where the Speaker fails to secure adequate response from the state executive, he should be able to bring up the matter formally to the notice of the Legislature. A procedure of this kind would provide an additional safeguard for the rights of the citizen, without in any way compromising formally the position of the executive. It would enable the grievances of the citizen to be redressed without putting the executive on the mat on the floor of the House.

#### **Non-official Machinery for Enforcing Responsibility**

35. It cannot be ignored however that even the legislature is as much a part of the Governmental machinery as the executive and might in practice prove more concerned to protect the executive than to defend the people. It is necessary, therefore, to establish a



parallel non-official machinery through which organized public pressure could be exerted on Governmental agencies. Such a machinery should ascertain public needs and views, secure improvement in administrative methods, and redress public grievances.

36. The first two objectives can be achieved through the establishment of institutes of organizational research in important cities and catering to surrounding areas. The institutes should be established either as independent local institutes or as branches of a federal institute, or their functions should be entrusted to existing institutes dealing with allied problems. The institutes should be non-partisan and non-political in character, and should be organized and managed on the broadest basis. Their work should be carried out on scientific lines so that their findings might command general respect,

The institutes should perform two services. Firstly, the institutes should conduct scientific surveys for ascertaining public opinion on important issues of policy and public reactions to important proposals or decisions of Government. These surveys should be designed on statistical principles and their results should be given wide publicity. The revelation of the will of the people through such surveys is bound to have a decisive impact on Government policy. Secondly, they should organize studies in organization and methods of important Government agencies functioning in the locality. These studies should be conducted by teams composed of technical experts and representatives of different interests. These teams, after an intensive appraisal of the methods followed, should prepare plans for improving the working of these agencies and reducing the inconvenience to the public. If the organizational patterns suggested are well-conceived, technically sound, and practically feasible, their publication could not but force the Government to take notice of them and adopt them in practice.

37. The redress of public grievances should be sought through the setting up of citizens' or consumers' committees in the territorial units on a voluntary and non-party basis, with higher federal bodies constituted by indirect election. These committees should be multi-purpose, and should deal with all aspects of friction between the administrative machinery, whether public or private, and the citizen. The committees should receive grants from Government to enable them to meet the cost of their staff. The staff should register and process all complaints received, should have full access to the administrative authorities, and should hold meetings with them at

regular intervals so as to thrash out outstanding cases. They should also meet regularly with the elected representatives from the locality to the local, State and Federal organs of Government, so as to secure their assistance in any cases that may have to be taken up with higher authorities. The fact that there was a forum to which any one could take his grievances without obligation and as of right would immediately take the edge off such grievances, restore morale, and create confidence. Such a forum would gradually develop into a force with which the administrative authorities would have to reckon, and would operate as a healthy brake on arbitrary action.

### Conclusion

38. It is in these ways that the machinery of public administration can be orientated to the needs of economic development. The existing machinery is still predominantly geared to the purposes of a 'police State'. It has now to be adapted rapidly to the purposes of a 'social service State.' The need for such adaptation is widely recognised, as is evident from the numerous reports issued by different agencies of Government. The nature of adaptation and the new form that it should take still seem, however, to be matters of dispute.

39. The points at issue do not merely relate to the structure of the machinery; they arise basically from differences with respect to the purposes to which it is put. The choice between departmental autonomy and financial control or between State autonomy and Central direction or again between State monopoly and private enterprise is not merely a choice between different types of organization. It is a choice between development today and development tomorrow, between self-Government and good Government, between relative fairness and absolute justice.

40. It is precisely in making this choice that the stage of development is decisive. The order of priorities in an under-developed economy must be different from that in a developed economy. The fruits of development must be gathered within the life of the generation; the content of its life has been far too poor to spare effort for the benefit of the generation to come. Time is, therefore, the very essence of the problem, and the sands of time are fast running out.

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