Chapter- III
Changing Role of Bureaucracy in Bringing Development and Welfare.
Modern bureaucracy in the sense of a body of persons being recruited through an open public competitive examination conducted by an independent, statutory body is credited to People’s Republic of China. However, in India the credit of it goes to Lord Cornwallis who was instrumental in organization of civil services in India. On February 23, 1786, he accepted the governor-generalship of India. Before leaving office on August 13, 1793, he brought about a series of legal and administrative reforms, notably the Cornwallis Code (1793).1 Cornwallis code was nothing but a series of legislation enacted in 1793 by East India Company so as to improve their governance in India. The first and foremost issue before him was checking corruption. For this he debarred civil servants from taking presents, salary, bribes etc. The servants of the company were corrupt, incompetent and irresponsible persons. Cornwallis realized that the low salaries of the company’s servants encouraged them to indulge in various kinds of private trade to augment their income. So, Cornwallis decided to raise the salaries of the servants of the company.2 He laid down rules against private trade. He also initiated the policy of enforcing promotions through seniority. The districts were divided into small thanas and an Inspector was appointed in each thana. A superior officer with the designation of superintendent of police was appointed in each district to supervise the work of the Inspectors. He raised the salaries of all police officers. He separated the judiciary from executive as a result equal justice could be dispensed to all the people.3.

The next major breakthrough in the evolution of civil services in India was with the coming of Governor General Wellesley (1798-1805). He set up Fort Willam College for training of new recruits. This college was formed for the training of new recruits. In 1806 Wellesley college was disapproved by the then Court of Directors and paved the way to East India college which was set up at Haileybury England to impart two years training to the recruits. This act ended the Company’s patronage.

The Charter Act of 1833 theoretically threw open the services to the Indians, the relevant provisions were never really implemented. The Charter act of 1853 ended the company’s patronage, enjoining recruitment to be through an open competition
henceforth. However, Indians were barred from high posts from the very beginning. The revolt of 1857 gave a serious jolt to British administration in India and they were forced to rethink their strategy. The proclamation of 1858 declared the British intention of including the Indians, freely and impartiality, in offices under the civil services.

The next historic step which was important in the development of bureaucracy was the passing of Indian Civil Services Act 1861; this act reserved certain offices for covenanted civil services. The examination was to be held in England in English language based on classical learning of Greek and Latin. The maximum age permissible age was gradually reduced from 23 (1859) to 22 (1860) and to 21 (1866) and to 19 (1878). Satendra Nath Tagore became the first Indian to qualify Indian civil service. In 1878-79, Lytton introduced the statutory Civil Services consisting of one sixth covenanted posts to be filled by Indians of high families through nominations by local governments subject to the approval by the secretary and the Viceroy but the system failed and was abolished.

With the formation Indian National Congress in 1885 there was a demand by moderates for the Indianisation of the services. An Indianised civil service, it was thought, would be more responsive to the Indian needs. This bureaucratic class of Indians would stop the drainage of money; Much of India’s wealth was annually expatriated through the payment of salary and pension of the European officers. It was argued that this reform was being advocated as a measure against racism. Moderates demanded holding of exam for civil service in both in India and London. They also demanded raising of the age limit for appearing in such examinations from nineteen to twenty-three.

Soon Britishers responded by the formation of Aitchison Committee on Public Services In 1886, Lord Dufferin appointed a "Public Service Commission" under Sir Charles Aitchison to investigate the problems of the civil services in India. The Commission made the following decisions:

(i) The idea of simultaneous examination for covenanted service was rejected and it advised for the abolition of the statutory civil service.
(ii) Also it was proposed for setting up of provincial civil service, its members of would be separately recruited in every province, either by promotion from lower ranks or through direct recruitment.

(iii) It further suggested that the terms 'covenanted' and 'un-covenanted' should be replaced by the terms 'imperial' and 'provincial' respectively.

(iv) It also suggested 19 and 23 as the minimum and maximum age limits for Indians at the open civil service examinations.

The recommendations of Aitchison 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 year 1919 witnessed coming of Montagu Chelmsford Reforms it clearly stated if a responsible government is to be established in India then more Indian were to be associated in public service. It also recommended holding of simultaneous exam in India and England.

The next major breakthrough in the evolution of civil services was the appointment of Lee Commission in 1924. Lee Commission, body appointed by the British government in 1923 to consider the ethnic composition of the superior Indian public services of the government of India. The chairman was Lord Lee of Fareham, and there were equal numbers of Indian and British members. The Islington Commission’s report (1917) had recommended that 25 percent of the higher government posts should go to Indians. That report had become a dead letter in 1918, when the Montagu-Chelmsford Report proposed Indian appointments to one-third of the posts. Simultaneous examinations were instituted in London and New Delhi in 1922. But by this time, because of political uncertainties, there was a shortage of British entrants. It also recommended that secretary of state should continue to recruit the Indian civil services. The commission recommended immediate establishment of Public Service Commission as laid down in Government of India Act 1919.

The Government of India Act 1935 recommended the establishment of a Federal Public Service Commission and Provincial Public Service Commission under their spheres. But the positions of control and authority remained in Indian hands and
the process of Indianisation of the civil service did not put effective political power in hands since the Indian bureaucrats acted as the agents of colonial rule.

**Bureaucracy in post independence era**

After attaining independence, the major issue was the type of bureaucracy India should have; there were some important questions that were to be answered that are what should be the structure of bureaucracy, how would they be recruited. Also, there was also the prickly and thorny issue of the fate of the Indian officers in the erstwhile ICS. These matters were resolved the following way: despite their criticism of the ICS, the post-independent leadership decided to let those Indian officers continue in the civilian bureaucracy constituted after August 15, 1947 who still had service years left. However, instead of being absorbed in the newly created Indian Administrative Service (IAS) – the successor to the ICS – quite a few of these officers were directly drafted into the other newly created Central Government service, viz., the IFS (Indian Foreign Service) which was to implement India’s non-aligned foreign policy. For instance, KPS Menon Senior and T.N. Kaul joined the Foreign Service and went onto render distinguished service. Regarding recruitment, as before, it was to be through an open competitive examination conducted by an independent, autonomous statutory body. This was to be the Union Public Service Commission (UPSC) headquartered in Delhi, the country’s capital.

The Union Public Service Commission has been established under Article 315 of the Constitution of India. The Commission consists of a Chairman and ten Members. The terms and conditions of service of Chairman and Members of the Commission are governed by the Union Public Service Commission (Members) Regulations, 1969. The Commission is serviced by a Secretariat headed by a Secretary with two Additional Secretaries, a number of Joint Secretaries, Deputy Secretaries and other supporting staff. The Union Public Service Commission have been entrusted with the following duties and role under the Constitution: Recruitment to services & posts under the Union through conduct of competitive examinations; Recruitment to services & posts under the Central Government by Selection through Interviews; Advising on the suitability of officers for appointment on promotion as well as transfer-on-deputation; Advising the Government on all matters relating to methods of Recruitment to various services and posts; Disciplinary cases relating to
different civil services; and Miscellaneous matters relating to grant of extra ordinary pensions, reimbursement of legal expenses etc. The major role played by the Commission is to select persons to man the various Central Civil Services and Posts and the Services common to the Union and States (viz. All-India Services).8

An important thing that needs to be mentioned here is that in order to make bureaucracy more inclusive some Special Provisions for Deprived Sections have been made. One must mention here that as regards recruitment to bureaucratic positions in India, there is provision for reservation of a certain percentage of posts for deprived sections of society. Thus, from the onset of independence, 22.5% of posts has been reserved for Scheduled Castes (SCs) and Scheduled Tribes (STs). In addition to this, with the implementation of the Mandal Commission recommendations, an additional 27% of posts have been reserved for the Other Backward Castes (OBCs). In addition to this, the various state governments have reserved seats. They have their own state-wise quotas for government jobs. Some of the Southern Indian States like Karnataka and Tamil Nadu for instance – have always had very high quotas for which there have been historical and socio-political reasons.

In order to understand the role of bureaucracy in socio economic development in post independence India and to understand the attitude of Indian leaders it is important to circumspect the immediate challenges which India faced. Following achievement of Independence, the Congress headed by Prime Minister Jawaharlal Nehru assumed the reins of power. India was born in very difficult circumstances. Perhaps no country was born in a situation more difficult than that of India in 1947. Freedom only came with the partition of the country. The year 1947 witnessed violence and trauma of displacement. It was in this situation that independent India started on its journey to achieve several objectives. Yet the turmoil that accompanied independence did not make our leaders lose sight of the multiple challenges that faced the new nation.

India faced a lot of challenges. The first and foremost challenge was to maintain the unity and integrity of India and also accommodating the diversity in our society. India had a huge landmass. Its people spoke different languages and followed different cultures and religions. There was a widely held belief that a country full of such kinds of diversity could not remain together for long period of time. There were
serious questions about the future of India: Will India survives as a unified country? Would it do so by emphasizing national unity at the cost of every other objective? Would it mean rejecting all regional and sub-national identities?

The second challenge was to establish democracy. India opted for a representative democracy based on the parliamentary form of government. It was widely held that democracy as a form of government cannot function unless it is supported by suitable socio and economic factors. Alexis de Tocqueville, a famous French writer, in his notable work “Democracy in America” tried to enumerate the principal causes which tended to maintain the democratic structure in the United States. His list included not only the constitutional structure but also (a) the absence of a large military establishment, (b) equality in social and economic conditions, (c) prosperous agricultural economy, (d) the mores, customs, religious beliefs of Americans. In 1947, when India gained her independence from colonial rule, the choice of parliamentary democracy and a universal franchise for such a poor, vast and largely illiterate nation was considered fool hardy by many observers, at home and abroad. However India successfully met these challenges and established herself as a democracy. Nevertheless the first general election was held with great rigor, enthusiasm and success in 1952.

The third challenge before India was to ensure the socio-economic development and wellbeing of the entire society and not only of some sections. The Constitution of India clearly laid down the principle of equality and special protection to socially disadvantaged groups and religious and cultural communities. In the Directive Principles of State Policy the welfare goals that democratic politics must achieve. The real challenge now was to evolve effective policies for economic development and eradication of poverty.

In all of these goals bureaucracy in India had to play a pivotal role. The private sector in India was not mature enough to undertake such difficult tasks. Bureaucracy in India which was called the steel frame of British Empire could only do that was thought by the leadership spearheaded by our prime Minister Nehru.

To achieve the nation-building and developmental goals, the Indian leaders, planners and policy-makers deliberately and consciously chose the democratic model of development- same path of non-violence and people's participation that brought
political independence to the country. Unlike her Afro-Asian neighbors, who were beset with similar problems, but most of whom chose the totalitarian path of development to change a traditional India's democratic model of development is certainly not the easy model for more reasons than one. Firstly, transition from a traditional society into a modernized society with a vast majority being rooted in the past was a tremendous task. To bring about this transition through peaceful and democratic means was even more difficult. The second major problem was that India charted on a course of development that was unprecedented in history. The Indian development model encounters more problems and difficulties because, it has reversed the usual direction of development followed by the developed countries. In the developed countries, economic growth preceded social change and social development preceded the growth of adult franchise. Other democratic extensions, such as the ideology of equal opportunities or welfare services for all also followed economic affluence and social service consciousness. In those countries, private bureaucracies, through organized social action, led the State to grow into a full-fledged welfare state within a democratic frame of government. We started with adult franchise for the poor, illiterate masses and then began to plan for social change and economic growth simultaneously. Thus, India's attempt was unprecedented in its own history and unparalleled in the history of other major nation-states. India's attempt thus "put history upside down”.

Nehru’s Idea of Development

On the eve of independence, India had two options at its disposal. One option was to follow, the Liberal-Capitalist model of development as was practiced in much of Europe and United States of America or to follow the Socialist model of development as was practiced in the USSR. There were many people in India who were deeply impressed by the Soviet model of development. These included not just the leaders of the Communist Party of India, but also those of the Socialist Party and leaders like Nehru within the Congress. Thus, there was an overall consensus in favor of planned economic development. This consensus was being built already even before Independence. M. Visvesvaraya created a national plan in 1934 that aimed to double national income in a decade, led by a massive increase in industrial investment. Subhas Chandra Bose who at that time was Congress president in 1938 decided to set up a National Planning Committee so as to examine how India could
industrialize rapidly once it got political independence. The great Indian revolutionary V.D. Savarkar told Indians to embrace the age of the machine. All these leaders believed that the state should take the lead in the push towards industrialization. B.R. Ambedkar had argued in one of his earliest articles that the solution to surplus labor in agriculture was in the growth of modern industry. Nehru had to just put these ideas into practice.

Nehru’s idea of development was part and parcel of his idea of modernization of Indian society. Generally speaking modernity is understood as a social process which encompasses rationality of thought, imbibing new technology, creating balanced social relations. Nehru’s modernity was a conscious attempt to transcend feudal structures and their related associations, both ideational and actual, and to substitute it with a holistic democratic structure. It was to be a society governed through active participation of citizens imbued with knowledge imparted through command guidance.

Jawaharlal Nehru was an economic modernist. He believed that rapid industrialization was the most effective way to win the battle against mass poverty. This was in stark contrast with the medieval Gandhian economic vision centered on household production. India economic policy, since Independence, has a fairly clear vision of the ultimate goal, its social and economic color and content, and the broad path to be followed in reaching it, though every street is not named. It is well-known that it was mainly because of Nehru's insistence that the ultimate goal of the Socialist Pattern of Society has been adopted. Admitting a 'fascination for Russia', he wrote that the conditions in Russia have not been and continued to be not very dissimilar to those in India: ‘Both are vast agricultural countries with only the beginnings of industrialisation, and both have to face poverty and illiteracy. If Russia finds a satisfactory solution for these, our work in India is made easier.' Pandit Nehru's socialism was born out of a deep attachment to the values of ethics and social justice. He had no intellectual commitment whatsoever to its mechanics as prescribed in the Marxist text-books. While Pandit Nehru had great respect for many of the abiding insights of Marxist thought, he did not subscribe uncritically to any of its dogmas.
Nehru's most important contribution to economic strategy was his idea of planned economic development. Planning was in vogue that time. The experience of Great Depression in Europe, the success stories of Japan and Germany in the interwar period strengthened the view that planning was the best way out for economic development. The Planning Commission in India was not a sudden invention but in fact had a very interesting history. It is generally assumed that private investors like industrialists and big businessmen are usually averse to ideas of planning: they usually want seek an open economy without any state control. This was not the case of India in the flow of capital. In fact, big section industrialists got together in 1944 and drafted a joint proposal for setting up a planned economy in the country. It was called the Bombay Plan. The Bombay Plan wanted the state to take major initiatives in industrial and other economic investments. Thus, from left to right, planning for development was the most obvious choice for the country after independence. Soon after India became independent, the Planning Commission came into being. The Prime Minister was its Chairperson. It became the most influential and central machinery for deciding what path and strategy. India would adopt for its development.

The Planning Commission was set up in March, 1950 by a Resolution of the Government of India. Following were the objectives of Planning Commission.

1. Make an assessment of the material, capital and human resources of the country, including technical personnel, and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation's requirements.

2. formulate a Plan for the most effective and balanced utilization of the country's resources

3. On a determination of priorities, define the stages in which the Plan should be carried out and propose the allocation of resources for the due completion of each stage.

4. Indicate the factors which are tending to retard economic development, and determine the conditions which, in view of the current social and political situation, should be established for the successful execution of the Plan.
5. Determine the nature of the machinery which will be necessary for securing the successful implementation of each stage of the Plan in all its aspects.

6. Appraise from time to time the progress achieved in the execution of each stage of the Plan and recommend the adjustments of policy and measures that such appraisal may show to be necessary.

7. make such interim or ancillary recommendations as appear to it to be appropriate either for facilitating the discharge of the duties assigned to it; or, on a consideration of the prevailing economic conditions, current policies, measures and development programmes; or on an examination of such specific problems as may be referred to it for advice by Central or State Governments."

The First Five Year Plan (1951–1956) basically aimed at getting the country out of the vicious cycle of poverty. K.N. Raj, a young economist was the man involved in drafting the plan. He basically was of the view that India should go slowly for the first two decades. This was because of the apprehensions that a fast rate of development might endanger democracy. The First Five Year Plan focused mainly on the agrarian sector including investment in dams and irrigation. Agricultural sector was hit hardest by partition and needed urgent attention. It was for this reason that huge allocations were made for large-scale projects like the Bhakhra Nangal Dam. The Plan also identified the pattern of land distribution in the country as this was the principal obstacle in the way of agricultural growth. It focused on land reforms as the key to the country’s development.

The Second FYP stressed on heavy industries. It was drafted by a team of economists and planners under the leadership of P. C. Mahalanobis. Unlike the first plan which focused on agriculture, the second five year plan wanted to bring about quick structural transformation in India’s economy. This plan was in line with socialist vision of Congress party. Congress at its session held at Avadi close to Madras city, passed an important resolution. It declared that ‘socialist pattern of society’ was its goal. This was reflected in the second plan. The government imposed substantial tariffs on imports in order to protect domestic industries. Such protected environment helped both public and private sector industries to grow. As savings and investment were growing in this period, a bulk of these industries like electricity, railways, steel, machineries and communication could be developed in the public
sector. Indeed, such a push for industrialization marked a turning point in India’s development.

**Nehru’s Perception of Services' Role in Free India**

The essence of Nehru’s elements of development are: Planning, dominant public sector, full utilization of all productive forces, full utilisation of science and technology as instruments of change and growth, radical land reforms, modernisation of agriculture and reduction of disparities. His contribution in making India a secular democratic republic is of paramount significance. The dominant role of public sector made bureaucracy the central pivot of undertaking India’s development. Thus, the responsibility fell on the shoulders of the administrators/civil servants who were to act as the principal agents of social change and economic development in the country. The then Prime Minister Nehru, called upon the members of the Services- civil, military or police - to change their old attitudes and develop new attitudes - i.e., one of active cooperation with public, of active service to the public and the public side also the attitude of welcoming that cooperation and giving their cooperation too. Nehru gave a clarion call that "the Services must gradually cease to think of themselves as some select coterie apart from the rest of the people. They must think of themselves as part of the people of India cooperating in this great adventure of building up India." Nehru reminded members of the civil service that the great task of execution of India's development plans called for "a more progressive and realistic attitude", "faith in India's future, a genuine belief in the value of national objectives and a determination to go ahead, and, willingness and capacity to work.” Above all, the members of the bureaucracy must understand that "it is their duty to work for the unity of India, to break down barriers which come in the way of the unity of India and always be a crusader in that behalf". Nehru founded the Indian Institute of Public Administration in 1954 to promote the study and practice of public administration.

Nehru never wished an abrupt change in the bureaucratic set-up. The British bureaucratic model was retained by Nehru for the smooth running of government in India. Nehru told that the bureaucracy in India should be an enlightened one. The officers should be well aware of the problems faced by the Indian society. They should possess a foresight and deep vision in the administration of India. They should not passively carry out the orders; rather they should give their valuable suggestion on any matter whenever their opinion is sought. This will promote the administration in India.
For the effective implementation of the administrative machinery in micro level, Nehru put emphasis on Panchayati Raj Institutions and Community Development Programs. He emphasized that Panchayati Raj should be the vehicle of socio economic development. He said if people would not be associated with the development programs which in turn would affect them these programs are bound to fail. It was for this reason an attempt were made to integrate people. A three-tier system was envisaged with Panchayats at the grass-roots, Block Samites and Zillah Parishads at the district level. Community Development Programs included communication, housing, health and sanitation. Education, social welfare etc, where the rural people got chance to associate themselves with the day-to-day administration. By reforming bureaucracy, by granting autonomy to different organization, by introducing Panchayati Raj and community development programs, Nehru set new milestones in the field of public’ administration in India.24

**Indira Gandhi and Bureaucracy in India**

The year 1967 proved to be a watershed in Indian Politics and administration. This year witnessed what one may call as the end of ‘Congress System’.25 The year 1967 for the first time witnessed emergence of coalition politics at the state level. Congress lost power for the first time in several assembly elections to the non-right anti-Congress forces. There was formation of non congress governments in as many as nine states, basically put together by the late Prime Minister Chaudhary Charan Singh. This had a huge impact on national politics and on the society. It was for the first time recognized by the political class as well as the common people that the all powerful Congress Party which till now had spearheaded India’s fight against colonial rule could be defeated. This recognition had far reaching implications for India’s politics, society and administration.

There was a great churning going on within the Congress itself. The then Prime Minister Indira Gandhi who ever since assuming power in 1966 had been facing a tough time from the old guard (the Syndicate) within the Congress found her position further weakened. Indira Gandhi’s government was faced with several grave problems which were long in the making but which required immediate attention and solutions. Punjab was on the boil and the Naga and Mizo areas were in rebellion. She dealt effectively with these problems by accepting the demand for Punjabi Suba and being firm with the Naga and Mizo rebels, showing willingness to negotiate with
them and accepting the Naga rebels’ demand for autonomy. It was, however, the economic situation which was intractable. The economy was in recession and fast deteriorating. Industrial production and exports were declining. The rains failed for the second successive year in 1966, and the drought was more severe than in 1965, and led to galloping inflation and grave food shortages. Famine conditions prevailed in large parts of the country, especially in Bihar and eastern Uttar Pradesh. The wars of 1962 and 1965 and the Pakistan–China axis had led to a sharp rise in military expenditure and diversion of resources from planning and economic development. Budget deficits were growing, endangering the Fourth Five Year Plan. The situation required hard decisions and their firm enforcement, but then government vacillated, was slow in taking decisions and, what was even worse, tardy and ineffective in implementing them. In particular, it could not reduce its own bloated administrative expenditure which the financial situation required.

On the economic front to the situation was pretty bleak. Indira Gandhi inherited a weak economy. India was put into the sharpest recession since independence due to fiscal problems due to war with Pakistan in 1965; there was drought-induced food crisis that spawned famines. The government responded to this by taking a number of steps to liberalize the economy. It went for devaluation of the currency in return for the restoration of foreign aid. The economy started to recover in 1966 and ended up growing at 4.1% over 1966–1969.

The Congress Party split in the year 1969 with the Syndicate got marginalized. The party’s official nominee in the presidential elections N. Sanjeeva Reddy was defeated after Mrs. Gandhi herself put her weight behind V.V. Giri. The implementable agenda in the Ten-Point Programme was long on curbing the wealthy, short on aiding the poor. It sought social control of banking institutions; nationalization of general insurance; nationalization of export and import trade; public distribution of food grain; curbs on monopolies and concentration of economic power; limits on urban incomes and property; better implementation of land reform; and an end to princely privileges and privy purses. A series of populist radical measures endearing Indira Gandhi to the Indian Left, such as the nationalization of banks and the abolition of privy purses of the Indian princes followed which helped Mrs. Gandhi and her party to become popular once again. Later on, in 1971, her slogan of ‘Garibi Hatao’ and victory in the Indo-Pak war helped the Congress under Mrs. Gandhi to win the Lok Sabha elections by a landslide margin. Thus, the wheel had come full
circle. However, the intervening four years led to new ideas such as the one of a committed bureaucracy.

The idea most fundamentally, entailed that a bureaucrat should be hundred percent committed to the policies and programmes of the political party in power. By extension, this also implied full commitment to the individual politicians holding power. A bureaucrat was not to be guided by any other consideration. This development was, essentially, a consequence of the belief in the Congress circles that the electoral debacle the party had suffered in 1967 was in no small measure due to the fact that the civil bureaucracy had not faithfully delivered on the party’s programs, thus alienating the voters from the party. Whatever may be the merits of this argument; the idea of a committed bureaucracy gathered momentum and eventually, became a part and parcel of Indian public administration.

This had very far reaching and basically negative consequences. Once the idea gained legitimacy, bureaucrats began currying favors from their political masters. Plum postings were offered to those who did the bidding of their political bosses, while those who insisted on following an independent line based on professional opinion were punished. Punishment took the form of arbitrary transfers, postings to insignificant departments and in some cases, even suspension from service. A system of rewards and punishments got institutionalized in due course of time with civil servants being rewarded and punished on the basis of their loyalty and commitment to politicians or parties and not on the basis of their professional performance. As indicated above, over a period of time, the politician-bureaucrat nexus grew into a powerful force immensely benefitting both the parties, but spelling a blow to the concept of development and citizen friendly administration. This was, in fact, the ‘ politicization of the bureaucracy’ about which we hear so much laments now.

**Bureaucrat – Politician – Businessman Nexus**

A parallel development was the addition of the businessman to the unholy combine of the politician and the civil servant. Under Nehruvian model of development that India followed after independence, government permission or license was required for every small and big thing necessary for setting up a business. The discretionary power rested with the bureaucrat who could grant the license against favours granted by the concerned businessman or alternatively, withhold the permission on the concerned party’s refusal to please the government official. Very
often, the bureaucrat and the political boss to whom he reported shared in the spoils, as the ultimate sanctioning authority was the politician. This was the genesis of the notorious ‘Licence-Permit-Quota Raj’ which in about 20-30 years from independence completely derailed India’s socialist pattern of development. The planning process, the mixed economy, all got off track because of the immensely powerful and corrupt troika of the officer-politician-businessman often contemptuously described as the “Babu-Neta-Bania’ syndrome.

The ineffective and inefficient mixed economy brought about by the license-permit-quota raj coupled with the politicization of the bureaucracy remained the contexts of India’s civilian bureaucracy till the onset of globalization. The globalization era going back to the 1990s marked another watershed in the world of Indian bureaucracy, just as the 1967 elections had done. It is to this that we turn our attention now.

**Indian Bureaucracy in the Era of Globalisation**

Indian leaders from Nehru to Indira Gandhi and other non congress government all have emphasized greater role of public sector in gearing India’s economy towards economic development. Since independence, India followed the mixed economy framework by combining the advantages of the capitalist economic system with those of the socialist economic system. However, this consensus for a state-led economic development did not last forever. Between 1950 and 1980 the Indian economy grew at a sluggish per annum rate of 3 to 3.5%. Over the years, this policy resulted in the establishment of a variety of rules and laws, which were aimed at controlling and regulating the economy, ended up instead in hampering the process of growth and development.

In 1991, India faced an economic crisis relating to its external debt — the government was unable to make repayments on its borrowings from abroad. The foreign exchange reserves, which it generally maintained to import petrol and other essential items dropped to such levels that were not sufficient for even a fortnight. The crisis was further compounded by rising prices of essential goods. This crisis began with a slide in the value of the rupee leading up to mid-1991. The authorities at the Reserve Bank of India slowed the decline in value by expending international reserves. With reserves nearly depleted. Prior to 1991, capital flows to India predominately consisted of aid flows, commercial borrowings, and nonresident Indian
deposits (Chopra and others, 1995). Direct investment was restricted, foreign portfolio investment was channeled almost exclusively into a small number of public sector bond issues, and foreign equity holdings in Indian companies were not permitted.\textsuperscript{30}

The basic problem with India’s economic policy from 1947-1990 was that even though the revenues were very low, the government had to overshoot its expenditure in order to meet problems like unemployment, poverty and population explosion. The continued spending on development programs of the government created problems as they did not generate additional revenue. When the government was unable to generate sufficient revenue from internal sources such as taxation and was spending a large chunk of its income on areas which were unproductive which means they do not provide immediate returns like the social sector and defense. It started creating problems, there was a urgent need felt to utilize the rest of revenue in a highly efficient manner. The income from public sector undertakings was also not very high to meet the growing expenditure. At times, our foreign exchange, borrowed from other countries and international financial institutions, was spent on meeting consumption needs. Neither was an attempt made to reduce such profligate spending nor sufficient attention was given to boost exports to pay for the growing imports. Foreign exchange reserves in India declined to a level that was not sufficient to manage imports even for more than two weeks. There was an also not even sufficient foreign exchange reserve even to pay the interest of international lenders. What added to the misery was no country or international funder was willing to lend to India. Under such circumstances India was forced to beg in front of international institutions like International Monetary fund\textsuperscript{31} and International Bank for Reconstruction and Development (IBRD)\textsuperscript{32}, popularly known as World Bank.

In order to avail the loans, these international donor agencies expected India to liberalize and open up its economy. Indian government was expected to remove sanctions. There was a demand to increase the role of private sector and there was a demand for “rolling back of state”. Also there were demands to remove trade restrictions between India and other countries. These demands were in short were referred to as structural adjustment programs.

India agreed to the various conditionality’s that were to be imposed by World Bank and IMF. It announced the New Economic Policy (NEP) in 1991. The NEP consisted of an array of economic reforms. The thrust of NEP was creating a more competitive environment in the economy. It aimed at removing barriers to entry and
growth of firms. This set of policies can broadly be classified into two groups: the stabilization measures and the structural reform measures. Stabilization measures were short term measures that were intended to correct some of fundamental weaknesses that have crept in the balance of payments and to bring inflation under control. On the other hand, Structural Reforms were long-term initiatives which basically focused to improving the efficiency of the economy and to increase India’s international competitiveness. This was to be done through the removal of the rigidities that had crept in various segments of the Indian economy.

Liberalization and its impact on Indian bureaucracy
The period post 1991 when India undertook economic reforms witnessed a lot of change in the attitude of Indian bureaucracy. Once liberalization came the changes in the bureaucracy became inevitable. In India and around the world this trend is in vogue. There has been a demand for downsizing of bureaucracy and rolling back of state. India too had witnessed in the last ten years this trend. There has been a slackening of governmental rules and regulations. State had paved way to private sector even in providing welfare functions.

In an era characterized by globalization and Economic Reforms.. There was a need felt to demolish Bureaucrat – Politician-Businessman nexus. We have seen that although the process of economic reforms consequent to liberalization has been on, there have been recurrent reports on India being one of the most corrupt countries of the world. This naturally raises questions about the very rationale of liberalizing the economy. This forces us to analyze the problems associated with Indian Bureaucracy.

Problems Associated with Bureaucracy in India
A well-functioning civil service helps to foster good policymaking, effective service delivery, accountability and responsibility in utilizing public resources which are the characteristics of good governance. It is well recognized that Civil Service Reform is not only necessary but also inevitable. It has as much value in governance as in socio-economic development. There have been few problems associated with bureaucracy in India.
Bureaucracy and Ethics

Unlike the politician who is always under the public glare and has many enemies and competitors within and outside his party, the corrupt bureaucrat stays hidden from the lime light. He lies embedded in the system, spreading the rot like a cancerous tissue, till some Adarsh housing society scam or a 2G spectrum scam erupts and brings him out in the open. All matters relating to corruption and misconduct of IAS officers should be referred to the Central Vigilance Commission, which should have the power to investigate cases and implement the judgments/decisions reached. A timeframe should be decided beforehand within which the matter has to be investigated and a decision reached. A separate civil service court should be set up to determine the guilt of the members of civil services and to decide upon the punishment.

Public Representatives and Government Servants

The relationship between the Ministers (elected) and the Civil Servants permanent (government officials) executive in India (as elsewhere) has been very troublesome. In any form of government and more so in a democracy, such as India’s, the civil servants are subordinate to the ministers. However, since the Ministers often lack the necessary expertise and subtle nuances of policy making, Bureaucrats often manipulate things to their advantage. On the other hand, when the minister is powerful the officers are generally too willing to do the minister’s bidding; often in contravention of all rules and regulations.

Also, as we have already pointed out, ministers and bureaucrats in India have often enjoyed a highly mutually beneficial relationship based on a quid pro quo basis; i.e., a relationship based on mutual exchange of favors. The net result of all this has been a highly politicized bureaucracy and this fact, has not changed much even in the post-globalization era.

The problem of Generalists versus Specialists

This is a problem that has been faced by bureaucracies all over the world. Each country has tried to find its own solution to the problem. In India, the genesis of the problem can be traced back to the days of Lord Cornwallis who is credited with laying the foundation of the civil services in India. The British required English
knowing Indians having a bit general awareness to man the lower ranks of the bureaucracy. No specialist knowledge was required. This set the background for the induction of pure stream of Arts and Humanities and later on Sciences and Commerce (though not to the same extent) making it to the civil services. Professionals and Specialists (medicos, engineers, etc.) very rarely thought of a career in the bureaucracy. However, this has changed over the years. As governance has become more complex, need has been felt of ‘candidates with a more specialized background. This is because civil servants with a generalist background have increasingly been found unequal to the task. The recruiting bodies such as the UPSC have also been encouraging aspirants with a specialist background, viz., medicos, engineers, lawyers, chartered accountants, etc. Within the civil services, there has to be a conscious move away from the generalist approach to the specialist one and up gradation of knowledge and skill should be made a lifelong process. Even if officers are recruited as generalists, they should be encouraged to specialise in one sector or the other. The core competencies of the officers should be identified and consciously developed after the initial eight to ten years of service. For encouraging development of professionalism in civil services, there should be a specific career development plan for each officer involving both core competencies as well as general leadership as they move up. The officers should be periodically sent for specialized training in one of the leading professional institutions, which should include at least a three month stint abroad, for capacity building and whenever necessary, more training be provided at the best institutions in India and abroad.

The problem of Minority representation

The minorities, especially, the Muslims-India’s largest minority – have often complained of their poor representation in the country’s premier civil services such as the IAS and the IPS. While women seem to be breaking gender barriers in the Union Public Service Commission exam, Muslims still seem to be struggling. The 2015 results have four women in the top five ranks, but out of 1,236 people who passed the exam this year, only 38, or 3%, are Muslims. Poor levels of education and motivation have been a major cause. There is also a lack of inspiration for aspirants, given that there are no community role models and hardly any organized effort on the part of the Muslim community. Solutions such as a separate quota for the minorities have been suggested, but it requires a consensus amongst the political class.
Endnotes


3 Ibid

4 Moderates were the group of congressmen who dominated the affairs of the Congress from 1885 to 1905. They belonged to a class which was Indian in blood and color, but British in tastes, opinions, morals and intellect. They were the supporters of British institutions. They believed that what India needed was a balanced and lucid presentation of her needs before the Englishmen and their Parliament and their demands were bound to be satisfied. They had faith in the British sense of justice and fair-play. India's connection with the West through England was considered to be a boon and not curse.


Strategy and Vision in Politics. Jawaharlal Nehru’s policy choices and the designing of political institutions, available at, archiv.ub.uni-heidelberg.de/volltextserver/9977/1/APhD_FINAL.pdf.

Ibid

The Bombay Plan is a fifteen year investment plan for India proposed in 1944 by a group of prominent Indian industrialists and technocrats.

http://planningcommission.nic.in/plans/planrel/fiveyr/index1.html


Ibid., p.77.

What were Nehru’s views on Public Administration? Available at http://www.preservearticles.com/201106238421/nehru-on-public-administration.html. accessed on 12 July 2015.

Ibid

The term Congress system was coined by Rajni Kothari in his famous work “Politics in India”. Kothari argued that before and after Independence, the Congress was successful in presenting itself as the “authoritative spokesman of the nation as well as its affirmed agent of criticism and change”.


Ibid 272


Ibid 396

The IMF, also known as the Fund, was conceived at a UN conference in Bretton Woods, New Hampshire, United States, in July 1944. The 44 countries at that conference sought to build a framework for economic cooperation to avoid a repetition of the competitive devaluations that had contributed to the Great Depression of the 1930s. The IMF’s responsibilities: The IMF’s primary purpose is to ensure the stability of the international monetary system—the system of exchange rates and international payments that enables countries (and their citizens) to transact with each other. The Fund’s mandate was updated in 2012 to include all macroeconomic and financial sector issues that bear on global stability.

The International Bank for Reconstruction and Development was created in 1944 to help Europe rebuild after World War II. Today, IBRD provides loans and other
assistance primarily to middle income countries. IBRD is the original World Bank institution. It works closely with the rest of the World Bank Group to help developing countries reduce poverty, promote economic growth, and build prosperity. IBRD is owned by the governments of its 188 member countries, which are represented by a 25-member board of 5 appointed and 20 elected Executive Directors.

33 A statement that summarizes an economy’s transactions with the rest of the world for a specified time period. The balance of payments, also known as balance of international payments, encompasses all transactions between a country’s residents and its nonresidents involving goods, services and income; financial claims on and liabilities to the rest of the world; and transfers such as gifts.


