CHAPTER – I

INTRODUCTION

India’s post-independence development strategy showed all the signs of stagnation, but the economy started showing signs of recovery in the early 1990s when the government adopted the new economic model known as Liberalization, Privatization, Globalization to meet a grave economic crises, characterized by unprecedented adverse balance of payment problem, inflation, decline in the foreign exchange reserve and the Gross Domestic Product (GDP) growth rate. The objective of the economic reforms adopted by the Indian government was to transform a backward and predominantly agrarian economy, lacking in basic infrastructure, into a modern developed economy.

India is a country accepted the notion of social welfare state. The complexities of modern welfare state have resulted in ever growing expansion of the functions of the state the state today is managing almost the entire life of the community. The constitution, the supreme document of the land has emphasized the need of establishing such governance and government system which should be not only of good governance but also of the pro-people good governance. The constitution in its part IV has laid down some of the principles which are expected to be followed by the state as a fundamental in the governance of the country. These principles enunciated the ‘rights of community’ which are to be secured by the government as per its capacity, the well being is becoming increasingly dependent on efficient governmental
management i.e., the public administration rather than on the separate efforts of the individual.¹

Dr. Ambedkar is the man of millennium for social justice, since he was the first man in history to successfully lead a tirade of securing social to the vast sections of Indian humanity, with the help of a law. Dr. Ambedkar was the man who tried to turn the Wheel of the Law toward social justice for all. He has strong fervor to attain social justice among the Indian Communities for this purpose he began his vocation.

There is no accepted definition of the governance there is divergence of opinion about the meaning of governance between the conservatives and the liberals, between socialist and the communists. The world bank for example, has sought to take a middle position be defining governance particularly as the traditions and the institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced, the capacity of the government to effectively formulate and implement sound policies and the respect of the citizens and the state for the institutions that govern economic and social communication among them.

In recent years the world governance has become a very fashionable term and is being used in a variety of ways and that covers a large number of organization both in public and private domains. Public administration great stabilizing force in society. Government often change, but administration seldom experiences violent change. It provides an element of continuity between the old and new orders.²
India is a country with a lot of diversity. It is believed that if you travel every 100 km, the language dialect will change, if you travel every 500 km, there is a change in the way people live, if you travel every 200 km, there is a change in food habits. There are around 1000 languages and an equal number of religions, and so wide is the people's thought.

Administration becomes easier if there is some sort of uniformity. In India, if there is any uniformity, it is only in diversity. Diversification is spread uniformly. In other words, to put it simply, we see diversity everywhere. And Administration becomes really challenging in this diversified environment. Moreover, diversity is in a huge chunk, i.e., population. Only the sheer size of this population really becomes a monster for the administrator. So in these scenarios, how to administer is a big question.

Bureaucracy in independent India was called upon to outgrow two of its historical legacies, namely, the law and order or revenue-oriented role in colonial India, and its feudalistic and patrimonial role in princely States integrated with the Indian Union. The post-independence objectives of the Indian political system were conceptualized in terms of State-led strategy of industrialization and the goals of civic community development in rural and urban India. It was in this context that public administration in India tried to address, in its own way, the objective of building up a new structure of administration with a thrust on “development administration” conceptualized by Edward Weidner as “an action-oriented and goal-oriented administrative system”. Much of this discussion about development administration was made in the context of the new task of socio-economic change and national
integration, though the concomitant development of the early decades after independence was also the establishment of a bureaucratic apparatus for controlling the expanding scope of the public sector enterprises. Along with public enterprises, however, about 500 Block Development Officers in each newly created lowest level of administrative unit of the State were appointed and panchayati raj bodies of elected representatives were also set up. As decades rolled by, newer challenges of draught and growing mass poverty prompted additional strategies of development like the Green Revolution since the mid–1960s and Poverty Alleviation Programmes since the 1970s. Poverty alleviation measures like Antyodaya, Integrated Rural Development Programme (IRDP), White Revolution (dairy and poultry farming), etc., were initiated with assistance from nationalized bank. Thus, in the Nehru and Indira Gandhi eras, the goals pursued in terms of “socialistic” development (conceived mainly as an interventionist state with a predominant public sector) on the one hand, and populist “garibi hatao” (understood mainly in terms of endeavour by the State to reduce the number of the population below the poverty line) were actively undertaken.³

The 1990s witnessed a paradigm shift in Indian political economy, the two major dimensions of which are capsuled in the terms.

a) Neo-liberal economic policies with accent on privatization and globalization, and

b) Political federalization with stress on decentralization of power and resources from the Centre to the States to the local political systems. A third dimension must also be lamentably mentioned here that points to unprecedented levels of corruption and criminalization of the political system.⁴
Public administration is "centrally concerned with the organization of government policies and programmes as well as the behavior of officials formally responsible for their conduct".

Many unelected public servants can be considered to be public administrators, including heads of city, county, regional, state and federal departments such as municipal budget directors, human resources administrators, city managers, census managers, state [mental health] directors, and cabinet secretaries. Public administrators are public servants working in public departments and agencies, at all levels of government.

Indeed, public administration begins to interest itself in an individual even before he is born, in the shape of pre-natal care of the expectant mother, and continues till after his death, e.g., recording his death in the official papers, proving his will, taking care of his property etc. when the child is a few years old, he goes to one of the state schools for his education. After education he enters in to profession, businesses which are subject to public regulation and control of one type or of another. We are all concerned with public administration as the payers of taxes and consumers of the various goods and services it provides.

1. **Statement of the problem**:

The economic liberalisation in India refers to the ongoing economic liberalisation, initiated in 1991, of the country's economic policies, with the goal of making the economy more market-oriented and expanding the role of
private and foreign investment. Specific changes include a reduction in import tariffs, deregulation of markets, reduction of taxes, and greater foreign investment. Liberalisation has been credited by its proponents for the high economic growth recorded by the country in the 1990s and 2000s. Its opponents have blamed it for increased poverty, inequality and economic degradation. The overall direction of liberalisation has since remained the same, irrespective of the ruling party, although no party has yet solved a variety of politically difficult issues, such as liberalising labour laws and reducing agricultural subsidies. There exists a lively debate in India as to what made the economic reforms sustainable.

Indian government coalitions have been advised to continue liberalisation. India grows at slower pace than China, which has been liberalising its economy since 1978. The McKinsey Quarterly states that removing main obstacles "would free India's economy to grow as fast as China's, at 10% a year".

There has been significant debate, however, around liberalisation as an inclusive economic growth strategy. Since 1992, income inequality has deepened in India with consumption among the poorest staying stable while the wealthiest generate consumption growth. As India's gross domestic product (GDP) growth rate became lowest in 2012-13 over a decade, growing merely at 5.1%, more criticism of India's economic reforms surfaced, as it apparently failed to address employment growth, nutritional values in terms of food intake in calories, and also exports growth - and thereby leading to a worsening level of current account deficit compared to the prior to the reform
period. But then in FY 2013-14 the growth rebounded to 6.9% and then in 2014-15 it rose to 7.3% as a result of the reforms put by the New Government which led to the economy becoming healthy again and the current account deficit coming in control. Growth reached 7.5% in the Jan-Mar quarter of 2015 before slowing to 7.0% in April-June quarter.

Indian economic policy after independence was influenced by the colonial experience (which was seen by Indian leaders as exploitative in nature) and by those leaders' exposure to Fabian socialism. Policy tended towards protectionism, with a strong emphasis on import substitution, industrialisation under state monitoring, state intervention at the micro level in all businesses especially in labour and financial markets, a large public sector, business regulation, and central planning. Five-Year Plans of India resembled central planning in the Soviet Union. Steel, mining, machine tools, water, telecommunications, insurance, and electrical plants, among other industries, were effectively nationalised in the mid-1950s. Elaborate licences, regulations and the accompanying red tape, commonly referred to as Licence Raj, were required to set up business in India between 1947 and 1990.

The government of India has adopted policies of globalization, liberalization and privatization in the wake of the serious economic crises that enveloped the country by the middle of 1991. The crises arose due to the economic consequences of upheavals in the USSR and East Europe. Indian administration has undergone sea-change in response to new inputs from the contemporary socio-economic and political scene and under the impact of globalization in Indian administration. Now the completion with the
private sector has increased. The public sector has to compete with private sectors in case of cost, quality, and span of production otherwise it has to face elimination. Financial matters of our country may it be related banks, inflation, share prices, monetary and fiscal policy, budget are being finalized according to international financial market the scope of public sector becoming limited so the powers and functions of bureaucracy have been reducing, due to the entry of foreign investors in telecommunication, roads, posts, air ports, insurance, health, education and IT sectors.

Job security one of the major feature of Indian administration is being replaced with down sized reduced number of employs by removing dysfunctional and seek units. The principles of new public management are tightening its grip on Indian administration to make it fit to face the challenges of globalization, privitation and globalization.\(^6\)

The system of secrecy in governmental work has loosened its grip. Due to globalization the use of advanced means of communication, print media and electronic media, have encouraged the common masses to put their opinions and views before the government and administration, which have in turn helped in bringing transparency and exposure of hidden faces of administration. Efforts have been made by the different departments to improve the structural, financial, personnel and managerial positions by introducing structural and policy changes to attract foreign investments, to bring stability in their organizations.\(^7\)

The shift of emphasis from welfare liberalism to business liberalism requires adjustments on the part of the administration earlier attuned to the
needs of a national administrative State to the new role of the state as the regulator of the emerging market economy nationally, regionally, and globally. Direct bureaucratic control by Government departments must be replaced by facilitatory regulation by independent, often semi-judicial, regulatory authorities in various sectors of national and provincial economies, e.g., Central or State Electricity Regulatory Authorities, Telecom Regulatory Authority, Security and Exchange Board of India (SEBI), Competition Commission, Central Insurance Regulatory Authority (CIRA) etc., all of which have been created under parliamentary or State legislative statues since 1991. Moreover, there is a growing emphasis on the need that in the changed context of marketization, public administration must be run like a business. Evidence of the expansion of market concepts in the public sector may be found in the literature and practice of public administration in an emphasis on a constellation of cost cutting and production management concepts from the private sector, currently drawn together as new public management. These concepts include, among others, privatization, downsizing, rightsizing, entreprenuerism, reinvention, enterprise operation, quality management, and customer service. New public management seeks to put Venetian blinds against decision making by the people or their representatives in terms of political rationality to give a freer play to economic rationality, considers public private distinction obsolete in a bid to make management uniform across sectors. Furthermore, the growing integration of the Indian economy with global capitalism, puts premium on new skills in international political economy and law and on tough negotiations at global economic forums like World Trade Organization (WTO), and regional trading blocks, etc.
The federal trends in Indian politics have also placed imperatives on the All India Services, in particular, and State public services, in general, to come to terms with decentralization of political power to States and local bodies. Since the All India Services are designed to have a centralist mindset and a provincialist cadre allocation, they were naturally suspected by non-Congress State Governments when they were initially formed while the Congress still continued to hold the fort at the centre. There were demands before the Sarkaria Commission on Centre - State Relations for the abolition of All India Services, which the Commission did not concede. It is a measure of successful adaptation of these services to deepening democratization and federalization of the political system that such demands are no longer heard. As a matter of fact, the All India Services, having moved to and fro and worked for both orders of Government at different periods, proved to be well informed intermediaries with a feel for the respective needs and problems of the Union as well as States. They turned out to be a factor for the smoothening of Centre-State relations at a time when divergent political perspectives of the two orders of Government could have increased the prospects of misunderstanding and conflicts. Both All India Services and State services are yet to fully adjust to the prospects of grassroots democracy heralded by the 73rd and 74th Amendments (1993), relating to the Panchayat Raj and Nagarpalika Raj.

2. **The Significance of the study**:

The significance this research work lies in analysis of various changes in Indian administrative system since from 1990s. The importance this work is that focuses what are economic reforms are introduced in 1990. The
significance of this work also lies in the comparison between the administration pre 1990s and post 1990s. This work also tries to find out relation between economic reforms which are introduced under LPG policy and administrative efficiency.

3. **Objectives of the study**:

   The study entitled “The Changing Role of Administration in India Since 1990 A study “ under taken with following objectives.

1. To examine the nature of Indian administration.
2. To study main features of Indian administration.
3. To understand the impact of liberalization, privatization, globalization on Indian administration.
4. To find out challenges to Indian administration since 1990.
5. To suggest measures to strengthen the administration.

5. **Hypothesis**:

1. The 1990 witnessed a paradigm shift in Indian political economy and changed the role of Indian administration.
2. Neo liberal economic policy of 1990 changed the role of Indian administration.
3. Shift of emphasis from welfare liberalism to business liberalism.
4. Needs changes on the part of the Indian administration.
5. In the neo-economic order the bureaucracy has to function as a facilitator.
6. The administration has to forward vigorous responses to the challenges posed by the economic reforms.
6. **Methodology**:

In order to collect relevant data for purpose of research work methodology is very important. Research simply means search for facts, answer to the questions and solutions to problem. Research becomes a systematic, controlled and critical investigation of hypothetical pre questions.

In this research work historical, descriptive and analytical methods are employed with effort to provide comprehensive justification to this research work.

7. **Source of Data**:

To make research as fact oriented both primary and secondary data used for the study. The primary data consist of writing and speeches of President and Prime Minister and other ministers basis on their work experience. The secondary data in the form of published materials i.e., books, journals, papers etc., used for research work.

8. **Research Design**:

The present study is has been structured in to five chapters

Chapter – I : Introduction

Chapter – II : Evolution of Indian Administration.

Chapter – III : Features of Indian Administration.

Chapter – IV : The Changing Role of Administration in India Since 1990.

Chapter – V : Measures to Strengthen the Indian Administration.

Chapter – VI : Summary and Conclusions.
9. **Review of Related Literature:**

Sapru, R. K. (Indian Administration, 2001) deals with nature of Indian Administration and in his another book (Development Administration, 2000). He discussed about development administration and bureaucracy.

Guy Peters, in his article (Administrative Culture and Analysis of Public Organization, 1990) explained about the characteristic of culture of Indian administration.

Ramesh K. Arora (Comparative Public Administration, 1972) in his work compared the Indian administration with other developing and developed countries.

Sofi Ali and Amit Rao, in his article (Reinventing Public Administration for 21st Century, 2000) he explained impact of technology and e-governance on Indian administration.

O.P. Minocha in his article on (Good governance: New Public Management Perspective, 1998) analyzed the impact of e-governance on administration and people.

Jagdish C. Kapur's article (IT and e-governance, 2000) in his article he focused on e-governance and globalization.

Ashok Mukhopadhyay, in article on (IT and Administrative Culture in India) he examined how information technology changed the culture of Indian administration.
However, no comprehensive and scientific analyses regarding the changing role of administration in India since 1990s. A study has been attempted to the present work aims at filling this gap.

10. **Limitations of the study:**

The present study is confined only to the changing role of Indian administration since 1990's and challenges to the administration in India in general.

However this study not focuses on changing in socio-economy dimension of citizens. it just reveals the changes in administrative level, introduction of new tools in administration after adoption structural adjustment in1990’s, is main area of the study.
NOTES AND REFERENCES


5. S.R. Maheshwari, “*Teaching of Public Administration in India*” 1973, P-3


