CHAPTER - IV

THE CHANGING ROLE OF ADMINISTRATION IN INDIA SINCE 1990

The 1990’s was a historic decade in India. Economic growth rates increased as policies were liberalised though not as quickly as in China. Urbanisation was also very slow compared to that in China. Rate of growth of population and fertility rates decreased. Infant mortality rates saw good rate of decrease. Two polarizing trends emerged in national politics that of the politics of social justice based on caste which followed the implementation of Mandal commission report etc.

Discuss the pros and cons of Liberalisation, Privatisation and Globalisation (LPG) in developing and developed countries. Outline the socio-economic issues arising out of LPG in India by citing suitable examples.

The new global economic system has become a big problem to the developing economies. Such economies are passing through a period of dilemmas, contradictions and social challenges. The reasons may be attributed to the pressures exercised by the developed economies through WTO, structural adjustments, competitive markets, regionalisation of economies and domestic realities. The new global economic system has emerged as a problem rather than solution to the developing economies. It has generated more poverty than affluence, social disorders, heavy unemployment, and administrative corruption. Developing economies more specifically big and overpopulated countries like India have become the victims and losing their properties, culture, heritage, export, social identity etc. On the other hand, the new global economic system has become a method of exploitation, earning,
market, political interference, etc. In sum, developing economies are losing everything while developed countries are getting everything. In the Asia pacific region, most of the developing countries are under heavy debt of the IMF and the World Bank. In such state of affairs, India is struggling to save its own socio economic system, in order to find a suitable strategy in the reign of dilemmas, contradictions and challenges. Since India is a poverty-ridden, overpopulated and a big country in the South Asian region, the administrative system is solely responsible to find out a solution of the problems generated by the new economic system. Several economists in many international conferences have outlined the role of the state in development more specifically in the global economic system. Most of the economists have advocated the role of the state as “information cum service delivery state” “level playing” and regulatory mechanic. "Those advocacies were designed in the specific context of the technologically advanced and industrialized countries. For the developing countries, privatization and liberalization of the welfare services sector was advocated. Several top economists of the developing countries have attracted the attention of the developed countries and the international donor agencies over the problems of the developing countries in the adoption of market economy as well as clearing the ground for privatization and liberalization. They argues that history can not be settled down into any single mold. Therefore, the developed countries’ emphasis upon market economy and privatization of state liabilities will not be as much effective as in their own countries. Developing countries have to evolve their own strategies of development1. For example, finance and structural adjustment programmes are difficult to balance in a developing society like India. Administrative reforms, a
part of structural adjustments, are required to be seen in the light of the burden being carried out by the developing countries as the welfare state. After the debackle of some of the East Asian economies in the late 1997 is to justify the plea of the developing countries.

Further the cost of administrative reforms will also be a major factor in the politico-economic crises. Beside this, the later-effects of administrative reforms are also to be managed in a very careful way as these may cause the national integrity and the culture. Administrative reforms are also required to be supported by the domestic economic environment and the culture besides the public support and institutions. Some of the studies on the collapse of East Asian economies in 1997 have pointed out that the administrative reforms in these countries (Indonesia, Malaysia, Thailand) were not carried out efficiently and therefore have not yielded efficiency to satisfy peoples’ expectations after the adoption of new economic system. It is also argued that the administrative reforms were focused in the economic sector and other sectors were not touched in order to support the economic administrative reforms. Consequently, such reforms could not get success and were made ineffective in the whole administrative system.

Last but not least, administrative reforms must be supported by political stability and democratic ways of operation. In developing countries, political consensus on administrative reforms, political stability, and matured outlook on the democratic ways of operation have yet not emerged due to political compulsions, party agendas and coalition governments. The question of political stability is a very complex problem of India, it can be pointed out that
the introduction of new economic policy in 1991 has brought political instability in itself as the previous governments have not been able to convince the masses about the market economy. Strong political and mass movements against the market economy have brought in its wake political instability after 1996 and India has undergone twice for general elections between 1996 to 1998 but political instability is continuing in the political sphere. In a country where 45 percent population is below poverty line, the introduction of market economy needs a careful implementation at the administrative level. Administrative support to the new economic policy is still a far dream of the market directed administrative reforms. Wide spread strikes in central and state governments, public sector enterprises mainly in banking and financial sector have again cautioned the governments to be very careful in implementing the GATT or WTO agreements in the administrative system like disinvestments in public sector, opening of insurance and media sector to foreign investors, merger of banks, etc. The administrative reforms being carried out in India were aimed to redesign the administrative system consistently in order to achieve the aims of the market economy. The “rational choice” approach to the political economy of public institutions is governed by the “rent seeking” forces. And there was a major thrust in the administrative reforms that the would or should be the role of the administrative institutions in the “rent-allocation” process in a market economy. However the political instability in India has not provided much choices to the political leaders to make a balance between the renter and their interests and also competing interests of the masses, consumers, producers and capitalists. Most of the administrative reforms in India, therefore, have been directed by the political
implications than the administrative efficiency, service or market choices. For example, trade in services policy was out rightly rejected by the Indian voters in 1998 general elections.³ The role of government as “rent-allocator” was also discarded by the domestic industrial sector as the economic depression in the Indian markets could not be ended even after the introduction of independent regulatory mechanisms and reforming the administrative institutions. For example, Indian primary and secondary capital market was depressed after 1994 till today and the establishment of Securities Exchange Board of India (SEBI) and the changes brought in banking and non-banking financial institutions failed to generate the market.⁴

Administrative reforms were also introduced to generate more professionalism in the government services but the non-material determinants of reforms like caste, religion, regionalism, language etc. have been more influential than professional commitments and administrative efficiency and effectiveness have remained the far-reaching dreams. For example, reservation policy for scheduled caste and tribes, backward classes have created obstacles in the way of professionalism, as it is not based purely on merit but on the reservation of positions for such castes or classes. Merit is the backbone of professionalism in any services. Reservation for such castes and classes in the government services is around 47 percent. Since the issue of reservation is related to votes in general elections and hence political power is committed and sustained by the votes of such castes and classes, no political party is seemed to go for its abolition. Another reservation problem is to emerge from the reservation for women (minimum 20 and maximum 33 percent) in government jobs. Such kind of policies are to question the
implications of administrative reforms. Corruption is a world wide phenomenon and does exist in all societies, however, the level of efficiency in providing world class services in a competitive world is to become a parameter as well as an attraction when the developing countries aspire to collaboration with the MNCs of the administration of the developed countries more particularly in the foreign direct investments in the infrastructure sector.\(^5\)

Delays in decision making, lengthy procedures, over-controlled mechanisms and poor management of development plans are to raise the questions pertaining to accountability of public servants. The experiences of the East Asian economies and their crises tell us that more collaboration with MNCs and dependency on FDI is not good in long run to the developing countries like India. To avoid such situations, administrative reforms must be aimed to gear up for accountability so that such situations will not come to India. Beside the financial crisis situations, administrative accountability is also related with the social cost as the consequences of liberalization on social modernization and social destruction as well as cultural decay pose the problem of accountability. Public services are required to be accountable to the social cost emerging from the social change. Therefore, administrative reforms must be carried out in the context of the social cost also.

New economic system in developing countries is to be understood in terms of administrative modernization. Technology is a key variable of it. In these countries, the conflict between the use of technology and the availability of huge manpower is a major issue of administrative reforms. For example, computerization of office-work, procedures and records is severely opposed by
employees organizations or union in view of emerging unemployment market. Since India is passing though a period of economic depression, unemployment will become a major problem of the country as the technology is replacing the man. Another related problem is of deliberate avoidance of technology by the government employees in their respective organizations as it prevents them to adopt corrupt practices. Involvement of employees in the maximum use of technology is a problem of administrative modernization. In a central planned economy. Administrative decentralization and deconcentration is a vital issue of administrative reforms. In the adoption of liberalization and privatization of service sector, decentralization is considered a highly risky method of reforms. Decentralization in developing economies is generally considered as a synonym of corruption, inefficiency and discretion. Therefore, decentralization is avoided and done with great care and cautions. For example, state governments have not been authorized to clear foreign direct investments proposals. After a long time, state government were authorized to clear such proposals in power (electricity) sector only at their own level but such clearances will be subjected to the final clearance of the central government and State Electricity Board Regulatory Authority. In such situations, administrative decentralization is to become a crucial issue.

Deconcentration of administration structures in metro and big cities of the country is a point of administrative reforms in order to provide services to the masses as well as to make realistic planning and strategy of development. A very thoughtful exercise is needed to deconcentrate administrative structures as these are practical and human problems involving several complex situations in the deconcentration process.
The issue of cutting down the size of staff in the government services is a very sensitive problem and it has its own several dimensions. However, the arguments of developed countries and donor agencies are difficult to accept both at the government and the staff level. At the government level, downsizing the administration is against the idea of welfare state in a highly poverty ridden country and government will not be able to carry out its social development programmes. The new ways of carrying out such programmes like involvement of non-government organizations (NGOs), voluntary organizations and the private sector have not been very effective in the Indian conditions and the cultural setting of the country. The question of human rights and trust of Indian poor masses are the crucial issues which need to be understood in the context of downsizing the staff strength in government. On the staff side, it is not acceptable as it will affect the morale and motivation of government employees. Another very significant issue of administrative reforms is concerned with the legal structure of the country. In an era of privatization, macro regulation by an independent institution more particularly in the situation of conflict between government and the private sector is considered as maintaining balance of economic aggregates, promoting optimum economic structures and ushering in a new and modern economic systems. Such macro-regulation is also trusted both by the private and foreign investors.

However the exclusive powers of the general courts to intervene and direct such independent regulatory authorities has now become a problem in administrative reforms. Such independent authorities, face difficulties in the delivery of services to the customers in a competitive market. The concepts of
‘welfare state’ and ‘model employer’ imposed by general courts on the entrepreneurial government in market economy has generated a debate over the legal structural reforms in India. It is being argues that the jurisdiction of general courts in a competitive economic era be restricted and more autonomy and independence be provided to such independent regulatory authorities.

In developing countries like India, introduction of market economy and restructuring the administration to suit the needs of the economic system has started debate over the conventional or the monocratic role of administration as characterized by instrumentality, unity and rationality to a transfigured administration through “market type mechanism.” In a vast, overpopulated, poverty-ridden and culturally diversified country, the new role of public administration has become a issue of debate, analysis and criticism. Political instability, economic depression and dominance of MNCs or foreign investors has put more burden on the shoulders of public administration in India. In such situation, a very careful and cautious strategy of administrative reforms is needed in India. The experiences of South and East Asian economies have also made government to become extra careful in devising a proper and more suitable strategy of administrative reforms in the country. Since the beginning of new economic system in 1991 till 30 April 1998, the basic strategy of administrative reforms has been to continue the old British administrative services and structures in the regulatory system of administration, evolution of policy framework in government activities, decentralization of developmental decision-centres and activities, creation of trade organizations in service and business sector, privatization of non-essential and consumer services, participation of private sector in commercial and business administration,
establishment of independent authorities to regulate commercial and business contracts and agreements in government services, abolition of inspectors system, minimizing discretionary powers of authorities, abolition of bureaucratic obstacles and bottlenecks, more transparency in government decisions, activities and contracts, grant of right to information, simplification of laws, rules and regulations, procedures, deconcentration of administrative structures, downsizing the staff, involvement of technology in office management more specifically computerization of procedures, records and correspondence, and minimizing the chances of corruption in administration, avoiding legal battles, abolition of unnecessary administrative organizations, tax and tariff reforms and redesigning the economic organizations and institutions, etc. In this reform strategy, major emphasis was laid down on policy designs and framework. However, policy reforms is not a priority. Policy choices and alternatives were not evolved. Policy making centers are confined to administrative officials. Peoples participation and specialized and professional organizations are being still ignored or not prioritized. Imbalance between the regulatory and developmental role of administration is also an area of policy evaluation in the study of new economic policy and administrative reforms. In these reforms, internationally competitive government organizations to protect the interest and property rights of the country were not seriously considered in designing the administrative reforms for the implications of GATT or WTO and human rights declarations and conventions. Consequently, India is facing losses of billions of dollars at the international level. Publicity of reforms at the international level was also ignored. Training was not properly catered to bring attitudinal and orientational changes in the administrative system. However, the administrative
reforms process is still going on a significant change in the Indian administrative system can be seen.

**Major Administrative Reforms:**


In 1991, India’s adoption of new economic policy was not implemented speedily as the Narsimha Rao’s government was not equipped with full majority in the Indian Parliament. Due to minority government till 1996, administrative reforms were carried out with the consent of the opposition parties and the administrative officials and staff. After the general elections in 1996 & 1998, coalition governments headed by three successive Ministries i.e., Mr. Devegowda, Mr. I.K. Gujral (1996-98) and Mr. A.B. Bajpai (From 19 March to till today) were also not prompt and active in bringing drastic changes in administration. The major focus of minority and coalition governments was to evolve a general policy framework and simplification of administrative process and to provide some policy as well as administrative facilities to the private and foreign investors. However a brief review of administrative reforms is given below in order to have a basic understanding of correlation between the new economic policy and the administrative apparatus.

1. **The Policy Framework in major areas of Administration :**

   In the last 7 years (1991–98) the major thrust of governments was to evolve a policy framework in the major areas affecting the total economy of the country. Several policies were announced during this period like Industrial Policy, Export-Import Policy, Agriculture Policy, Banking Policy, Tourism Policy,
Health Policy, Foreign Direct Investment Policy, Power Sector Policy, Water Policy, Environment Policy, Motor Vehicle Policy, Railway Gauge Conversion Policy, Media Policy, Insurance Policy, Rural Development Policy, Income Tax Policy, etc. In evolving the policy framework, the major emphasis was put on the development of infrastructure sector with the collaboration of private and foreign investors in order to generate more employment and to reduce the number of below poverty line people. Joint ventures were promoted in core and consumer items and the investors were motivated to initiate in the market economy. These policy frameworks have provided a set of directives to the administrative officials to act on the thrust of such policies. Necessary amendments or modifications made in several laws, rules and regulations to abolish bureaucratic discretion, obstacles, delays, red tapism, problems, etc. Further, policy reforms were also introduced to provide a suitable environment for development.

2. Establishment of New Administrative Organizations:

To implement several policies, a major reshuffle was carried out in the Union Government Ministries or Departments as well as some new organizations were also created. However the Ministry of Finance, Home Affairs, Commerce, Education, Personnel, Pension and Administrative Reforms, Civil Aviation, Transport, Environment, etc. were redesigned to suit the needs of the new economic system. Some of the administrative positions were either abolished, redesigned or renamed to cut down the size of ministries and bring efficiency and effectiveness in administrative operations and activities. Agency system was also introduced in the ministries of Agriculture,
Tourism Civil Aviation, Media (Television and Radio) Telecommunication etc. to reach at the downtrodden areas and people of the country. Agency system was a partially successful experiment to deliver services or goods in rural areas and to the poor people. It (Agency) has also generated employment in non-governmental sector to deliver government services, and reduced the burden on government both in terms of money and staff. Some of the ministries have also been reoriented for privatization and foreign collaboration or joint ventures like Civil Aviation, Telecommunication, Broadcasting, Power (electricity) etc. In some of the ministries, new administrative organizations and institutions were created.

1. **Ministry of Finance**

   a) Chance Board of India (SBI)
   b) Banking Lok Pal (Ombudsman) of India
   c) Export Processing Zones Council
   d) Foreign Direct Investment Board

2. **Ministry of Home Affairs**

   a) Special separate Department of Jammu and Kashmir State for Development purposes and tourism.
   b) Special cell for Scheduled Castes / Tribes and Women and Children,
   c) Special force for Command riots, conflicts and problem areas,
   d) Special cell for identifying infiltrators in Assam state and to control insurgency in North-East states.
3. **Ministry of Personnel, Pension and Public Grievances:**

a) Fifth Pay Commission for Central Government Employees (Report Submitted in 1997 and implemented in March 1998)

b) Training of All India Services – Divided among five training Institute in the Country;

c) New Schemes for Pension to Central Government employees were introduced.

d) LokPal (Ombudsman) bill to be introduced in the Parliament in June 1998 to redress public grievances against public servants;

e) Right to Seek Information of Government Decisions which do not fall in the Official Secret Act;

Beside the some of the above mentioned administrative reforms in the major ministries of the Central government (which were directly concerned with the new Economic Policy), some initiatives were also taken to improve the economic conditions in the different sectors and some independent institutions were created:

a) Human Rights Commission

b) Women's Development Commission

c) Children Labour Exploitation Protection Board

d) Minimum Wages for Agricultural Labour Commission

e) Pay Committee for University and College Teachers in India

f) Narsimhan Committee to Reorganize the Banking Industry
In setting up these institutions, the major thrusts of the government was to deregulate and decentralize the administrative system, we would discuss the major issues of it.

**Deregulation:**

In the new system of the country, government has tried to deregulate some of the core and consumer areas where government regulation was creating obstacles in the development of industry like deregulation of cement, non-petroleum products, sugar, steel, milk-products, liquor, gold-silver, electronics, computer software’s, telecommunication equipments, paper, edible oils, soaps, cosmetic prices. Government is also considering to deregulate those areas where problems are more acute like urban land, cooperative, housing, drinking water resources, leather and shoe industry, medical and health care services, textile industry, refrigeration industry etc.

Government is also inclined to deregulate those areas where healthy competition can bring efficiency and foster development like Bank interest rates, non-banking companies, environment friendly companies, higher educational institutions more particular foreign universities, foreign exchange, full convertibility of Indian Rupee in Current account, media-foreign newspapers publication in India, Insurance (20% deregulation proposed) Sector, etc. Although government is prepared to deregulate more sectors of economy in order to abolish licensing system, pricing, storage limits, transportation. There are three major problems to deregulate rapidly.

a) Poor masses and unaware consumer.

b) Lack of technology in marketing.
c) Large size of staff, keeping these problems in mind, the Government is deregulating the sectors on priority basis.

**Decentralization:**

In a centrally planned economy, decentralization is a big problem both politically and administratively. A major step was initiated in 1993–94 to create a third tier of Indian federation by constitutional amendments have brought drastic changes in the Indian urban and rural local governments. These amendments have brought drastic changes in the Indian urban and rural local governments as these governments were empowered with constitutional rights, duties, resources, finances and representation. Political level of these governments was made more accountable, responsible, autonomous and powerful than administrative level. Personnel of all India Services were brought under the control of the local government. District Councils (Zila Parishads) and block Councils (Panchayat Samities) were entrusted the task of planning and development. As such, decentralized planning was enlarged at the local level. Participatory democracy and governance system was evolved.

In the new economic system, local authorities were encouraged to develop the region or area by industrializing of a marketing system. For the diversion of powers and resources, between the state and the local governments, State Finance Commissions were setup and separate financing institutions like banks were evolved to strengthen the local governments. Village Panchayats were also allowed to take up new measures to protect the small and medium farmers from the repercussions of the new market economy by providing incentives, subsidies and different assistance. On the whole,
decentralization of the governance structure has equipped the local governments to meet the challenges of the new market economy. New, the elected and administrative officials should try to extract the benefits of the new economic system of the country.

**Ensuring the Use of Modern Technology:**

One hundred fifty years old British Patterned administrative system is being restructured, equipped and reoriented towards the new challenges of the economy. The Government has provided special funds for its modernization through the use of modern technology like computers and various means of information technology. Office procedures, data-storing, records and preservation of several documents are being computerized. Communication technologies are being provided even at the village-level official machinery in order to link up the whole administration in a national network. More emphasis is laid on remote and hilly town to link up them with the district and state administration.

Police and other security network is also being equipped with the latest technology of information, transportation and communication to meet the challenges of new economic system, Ministries or Departments were allowed to use the modern technology from the private sector or to privatize such services in their respective organizations. Although, the task of using modern technology needs huge funds, resources and satellite capabilities of the country but may be hoped that the task will be completed in the ninth five year plan (1998-2002).
Reform of Public undertakings:

The constitutional guarantee of bringing ‘Socialism’ and ‘welfare state’ was ensured by a big setup of public undertakings during the last 40 years. But the announcements of new economic policy in 1991, 1996 public undertakings were incurring heavy losses and not helpful in competing the global economy. To redesign and restructure them in the new set up, some of the public undertakings were partly sold through shares or debentures. A disinvestments commission was set up to review the government policy of investments in these undertakings. The commission’s suggestions are being studies by the central government. However, investment in loss-making undertakings will be discourages and investment will be on priority and service basis. Profit-making undertakings were also opened for joint ventures, or for private and foreign investors. Nine public sectors or areas undertakings were declared ‘Navratna’ (Nine precious stones) as these were the base of the economy, security and interest of the country. Beside this, to reform the public sector in India, the Government’s reform policy of public undertakings is mainly centred around the divestment or disinvestments, down sizing, privatizing through various means and types of public sector, global competitiveness, profit, and priorities of the economy. Further, area or sector wise regulatory system is also being evolved to sort out the differences between the ministries and the public undertakings, to protect the users and consumers, to decide the tariff and trade, to maintain a minimum standard of services, efficiency and effectiveness and to generate a system of trust in the public services. Inspite of all these efforts, public undertaking in India constitute a large part of economy, it is not a easy task to discard them. Public sector reforms will take a long time to produce good result.
in the Indian economy. The experiences of the East Asian economies are preventing the central government to take drastic steps in the public sector.

**Ensuring Trust in the Civil Services**:

The British legacies in the Indian administration have been very strong and influential and it is becoming very difficult to change the image of civil services in the Indian people. Civil Services are considered the symbol of authority, corruption and favoritism rather than servants and meritocracy. In the present new economic scenario, civil services have occupied more profitable positions in the society as the chances of security, corruption, favoritism and discretion in civil services increased. To maintain standard of services, and to avoid these problems in the new economy, government has activated its anti-corruption machinery like CBI, anti-corruption bureau and state level ombudsman (Lokayukta) in state administration and also considering to establish a national level Ombudsman (LokPal) to investigate such corruption charges.

The scope of national Ombudsman will be extended to Prime Minister, elected representatives and government public officials. The definition of ‘Public Servant’ is being enlarged to widen its scope of activities. Beside this, rules, regulations and official acts are being modified and amended to delimit the discretionary powers of the all India Services in public administration. Further, government has also provided legal right to its citizens to get information on administrative decisions which are not to come under official secrets Act. Parliamentary committees or commissions were also strengthened to control administrative machinery. Peoples councils or committees at district
and block level will also be established to review the administrative discretion. Transparency in administrative activities will be ensured though publication and public notices, Janata Adalat (People’s Court) and open Janata camps, special measures suitable to the culture and the Indian rural and illiterate masses are being devised to settle disputes between administration and the citizens. Personal liability of administrative officials in the matter pertaining to public complaints and grievances is being fixed. Consumer protection courts have been set up in service sector like telecommunication, electricity, railways, roadways, civil aviation, etc. Policy system is being revamped.

A Policy Reforms High Power Committee is being set up to restructure, reorient and redesign the police services. Citizen’s rights in the case of arrest are being ensured to minimize police atrocities and cruelty. Judiciary is also playing a key role in ensuring reliable, transparent and efficient public administration system. Judicial activism has brought a significant change in administrative decisions and policy implementation. Beside this, new ways of financing development plans and programmes are being devised in order to bring closer the administration and the citizens for mutual trust and understanding of practical problems in the Indian setting. These some of the measures may generate trust and confidence in civil services and will re-establish an image of efficient and effective civil service. However, there is great need of bringing professionalism, specialism and secular outlook in the Indian administration which is still a lacunae in the Indian Civil Services. Efforts in this direction are not very effective.
Poverty Eradication Programme Machinery:

Since India has a huge section of population (45 percent) below poverty line due to overriding reasons, the government has established administrative machinery to abolish the below poverty line population by 2005 AD. For this, Rural Reconstruction Ministry, Integrated Rural Development Programs Department, 20 Point Programme Department, Urban Development Ministry, etc. are responsible to eradicate poverty in the country. Beside this, similar departments, agencies and organizations are operating at the state level. However, the percentage of below poverty line population is not reducing inspite of heavy investments in poverty eradication programmes, as a large section of money is spend on the big administrative machinery and a very little amount of money reaches to these people. To cut such spending, the government has devised some new schemes and programmes in which the role of nongovernmental organizations and voluntary organizations will be enhanced to implement poverty eradication programmes.

Now, the government is reducing the number of employees in these organizations (Ministries and Departments) so that more money could be available to the programmes. Implementation of some programmes is solely privatized or is handed over to NGOs and VOs like family welfare programs, vaccination of children and their mothers, hut-making etc. Some of the programmes are started to be run with specialized agencies and NGOs like literacy programs in rural areas, distribution of life saving medicines, eye care programs, handicrafts making in rural areas, sale and purchase of rural products, unskilled workers training programmes, the government departments
can not discard their responsibility. However, the efforts of government to reduce its burden is being shared by the NGOs but the sole responsibility lies with the government and its administrative machinery. The effects of the administrative reform to develop an alternative for socio-economic development was also appreciated by the World Bank and some other donor agencies. In spite of these efforts, there is a very serious question to the market economy advocated whether global new economic system will reduce or increase poverty in overpopulated countries like India. India’s Planning Commission’s reports of 1992-96 clearly indicated that market economy approach is increasing the gap between the rich and the poor and the percentage of poor has increased during this period. The administrative reforms has not much contributed in the poverty eradication programs. NGOs and voluntary organizations have not been successful to share the burden of government in poverty eradication due to socio-economic reasons.

India’s administrative reforms were carried out under the pressures of the World Bank and other international donor institutions as a part of structural adjustment programme in the developing countries. Beside this, administrative reforms were also made to implement the WTO or GATT agreements in the economy of the country. However, it must be noted that: first, no basic change or reform was made in the basic structure of the civil services. The 150 years old British patterned structure was continued in the new economic policy; second, these reforms were made at the operational and procedural level but policy-making (Secretariat or Departments or Ministries) level was unaffected. Third, such reforms were aimed for the economic system and the general public or masses were not facilitated by these reforms.
For the public, the same old civil services are being continued; fourth, these reforms were not supported by the state administrative system both at state and local level. Hence, no significant change at these two levels was seen. Lastly, the critical issues of reforms like downsizing, entrepreneurial and manage rail civil services were not resolved due to political instability, minority governments and political differences. Looking at the ministry level reforms, most of the reforms were regulative, contractual and procedural in nature, the creation of new institutions in various sectors of the Indian economy was to make sectoral planning, regulation and to providing services mainly to the private and foreign investors. Poverty ridden people were untouched and consequently poverty eradication programmes were not supported by the market economy. Administrative reforms were not able to bridge the gap between the market economy approach and the poverty eradication programmes. Institutional arrangements were made at the surface level of the Indian administrative system and a clear cut and visible conflicts on the scope of rights between the central government ministries or departments and the independent institutions can be seen. (For examples, conflict between the central Department of Telecommunications and the Telecommunication Regulatory Authority of India). The crisis in the East Asian economies has put a negative effect on administrative reforms and the structural adjustments programmes in India as several suspicions were expressed over the GATT or WHO agreements and the Central government hesitated to make further reforms, however committed to liberalization in its announcements. Last but not least, it must be kept in mind that administrative reforms are ongoing processes are conditioned by the socio cultural setting of the country. Although the pace
of reforms is slow but is concrete and solid in its effects on Indian administration.

**Liberalization**:  

The concepts of liberalization, globalization and privatization are actually closely related to one another. This LPG phenomenon was first initiated in the Indian Economy in 1990 when the Indian Economy experienced a severe crisis. There was decline in the country’s export earnings, national income and industrial output. The government had to seek aid from IMF to resolve it’s debt problem. That is when the government decided to introduce the New Industrial Policy (NIP) in 1991 to start liberalizing the Indian economy.

Liberalization means elimination of state control over economic activities. It implies greater autonomy to the business enterprises in decision making and removal of government interference. It was believed that the market forces of demand and supply would automatically operate to bring about greater efficiency and the economy would recover. This was to be done internally by introducing reforms in the real and financial sectors of the economy and externally by relaxing state control on foreign investments and trade. With the NIP’ 1991 the Indian Government aimed at integrating the country’s economy with the world economy, improving the efficiency and productivity of the public sector. For attaining this objective, existing government regulations and restrictions on industry were removed. The major aspects of liberalization in India were.
1. Abolition of licensing: NIP’1991 abolished licensing for most industries except six industries of strategic significance. They include alcohol, cigarettes, industrial explosives, defense products, drugs and pharmaceuticals, hazardous chemicals and certain others reserved for the public sector. This would encourage setting up of new industries and shift focus to productive activities.

2. Liberalization of Foreign Investment: While earlier prior approval was required by foreign companies, now automatic approvals were given for Foreign Direct Investment (FDI) to flow into the country. A list of high-priority and investment-intensive industries were delicensed and could invite up to 100% FDI including sectors such as hotel and tourism, infrastructure, software development .etc. Use of foreign brand name or trade mark was permitted for sale of goods.

3. Relaxation of Locational Restrictions: There was no requirement anymore for obtaining approval from the Central Government for setting up industries anywhere in the country except those specified under compulsory licensing or in cities with population exceeding 1 million. Polluting industries were required to be located 25 kms away from the city peripheries if the city population was greater than 1 million.

4. Liberalization of Foreign Technology imports: In projects where imported capital goods are required, automatic license would be given for foreign technology imports up to 2 million US dollars. No permissions would be required for hiring foreign technicians and foreign testing of indigenously developed technologies.
5. Phased Manufacturing Programmers: Under PMP any enterprise had to progressively substitute imported inputs, components with domestically produced inputs under local content policy. However NIP’1991 abolished PMP for all industrial enterprises. Foreign Investment Promotion Board (FIPB) was set up to speed up approval for foreign investment proposals.

6. Public Sector Reforms: Greater autonomy was given to the PSUs (Public Sector Units) through the MOUs (Memorandum of Understanding) restricting interference of the government officials and allowing their managements greater freedom in decision-making.

7. MRTP Act: The Industrial Policy 1991 restructured the Monopolies and Restrictive Trade Practises Act. Regulations relating to concentration of economic power, pre-entry restrictions for setting up new enterprises, expansion of existing businesses, mergers and acquisitions etc., have been abolished.

The main aim of liberalisation was to dismantle the excessive regulatory framework which acted as a shackle on freedom of enterprise. Over the years, the country had developed a system of “license-permit raj.” The aim of the new economic policy was to save the entrepreneurs from unnecessary Harassment of seeking permission from the Babudom (the bureaucracy of the country) to start an undertaking.

Similarly, the big business houses were unable to start new enterprises because the Monopolies and Restrictive Trade Practices (MRTP) Act had
prescribed a ceiling on asset ownership to the extent of Rs. 90 crores. In case a business house had assets of more than Rs. 90 crores, its application after scrutiny by the MRTP Commission was rejected. It was believed that on account of the rise in prices this limit had become outdated and needed a review.

The major purpose of liberalisation was to free the large private corporate sector from bureaucratic controls. It, therefore, started dismantling the regime of industrial licensing and controls.

On 14 April 1993, the Cabinet Committee on Economic Affairs decided to remove three more items from the list of 18 industries reserved for compulsory licencing. The three items were: motor cars, white goods (which include refrigerators, washing machines, air-conditioners, microwave ovens etc.) and raw hides and skins and patent leather. In the case of cars and white goods (which include refrigerators, washing machines, air-conditioners, microwave ovens etc.) and raw hides and skins and patent leather. In the case of cars and white goods, the basic purpose of de-reservation was to increase investment in industries in procuring cars and white goods so that the demand of the large middle class ranging from 100 to 120 million can be satisfied. The list of industries in which industrial Licensing is compulsory.

Privatization:

Privatization is closely associated with the phenomena of globalization and liberalization. Privatization is the transfer of control of ownership of economic resources from the public sector to the private sector. It means a
decline in the role of the public sector as there is a shift in the property rights from the state to private ownership. The public sector had been experiencing various problems, such as low efficiency and profitability, mounting losses, excessive political interference, lack of autonomy, labour problems and delays in completion of projects. Hence to remedy this situation with Introduction of NIP’s 1991 privatization was also initiated into the Indian economy. Another term for privatization is Disinvestment. The objectives of disinvestment were to raise resources through sale of PSUs to be directed towards social welfare expenditures, raising efficiency of PSUs through increased competition, increasing consumer satisfaction with better quality goods and services, upgrading technology and most importantly removing political interference.

The main aspects of privatization in India are as follows:

1. Autonomy to Public Sector:

   Greater autonomy was granted to nine PSUs referred to as ‘Navaratnas’ (ONGC, HPCL, BPCL, VSNL, BHEL) to take their own decisions.

2. De-reservation of Public Sector:

   The number of industries reserved for the public sector were reduced in a phased manner from 17 to 8 and then to only 3 including Railways, Atomic energy, specified minerals. This has opened more areas of investment for the private sector and increased competition for the public sector forcing greater accountability and efficiency.
3. Disinvestment Policies:

Till 1999-2000 disinvestment was done basically through sale of minority shares but since then the government has undertaken strategic sale of its equity to the private sector handing over complete management control such as in the case of VSNL, BALCO, etc.

Privatization is the process of involving the private sector in the ownership or operation of a state owned or public sector undertaking. It can take three forms.

1) Ownership measures.
2) Organizational measures; and
3) Operational measures.

1) Ownership measures:

The degree of privatization is judged by the extent of ownership transferred from the public enterprises to the private sector. Ownership may be transferred to an individual, co-operative or corporate sector. This can have three forms:

a) Total denationalization implies 100 per cent transfer of ownership of a public enterprise to private sector.

b) Joint venture implies partial transfer of a public enterprise to the private sector.

It can have several variants—25% transfer to private sector in a joint venture implies that majority ownership and control remains with the public sector. 51% transfer of ownership to the private sector shifts the balance in
favour to the private sector, through the public sector retains a substantial stake in the undertaking. 74% transfer of Ownership to the private sector implies a dominant share being transferred to private sector. In such a situation, the private sector is in a better position to change the character of the enterprise.

c) Liquidation implies sale of assets to a person who may use them for the same purpose or some other purpose. This solely depends on the preference of the buyer.

d) Workers’ co-operative is a special form of denationalisation. In this form, ownership of the enterprises is transferred to workers who may form a co-operative to run the enterprise. In such a situation, appropriate provision of bank loans is made to enable workers to buy the shares of the enterprise. The burden of running the enterprises rests on the workers in a workers’ co-operative. The workers become entitled to ownership dividend besides getting wages for their services.

Organisational measures include a variety of measures to limited state control. They include:

a) A holding company structure may be designed in which the government limits its control to top-level major decisions and leaves a sufficient degree of autonomy for the operating companies in their day-to-day operations. A big company like the Gail Authority of India (GAIL) or RAM Heavy Electrical Limited (RHEL) may acquire a holding company status, thereby transferring a number of functions to its smaller units. In this way, a decentralized pattern of management emerges.
b) Leasing: In this arrangement, the government agrees to transfer the use of assets of a public enterprise to a private bidder for a specified period, say of 5 years. While entering into a lease, the bidder is required to give an assurance of the quantum of profits that would be made available to the state. This is a kind of tenure ownership. The government reserves the right to review the lease to the same person or to grant the lease to another bidder depending upon the circumstances of the cases.

c) Restructuring is of two types: financial restructuring and basic restructuring.

1. Financial Restructuring implies the writing off of accumulated losses and rationalization of capital composition in respect of debt-equity ratio. The main purpose of this restructuring is to improve the financial health of the enterprise.

2. Basic Restructuring is said to occur when the public enterprise decides to shed some of its activities to be taken up by ancillaries or small-scale units.

ii) Operational Measure:

The efficiency of public sector enterprises depends upon the organisational structure. Unless this structure grants a sufficient degree of autonomy to the operators of the enterprise or develops a system of incentives, it cannot raise its efficiency and productivity. These measures include:

a) Grant of autonomy to public enterprises in decision making,
b) Provision of incentives for workers and executives consistent with increase in efficiency and productivity.

c) Freedom to acquire certain inputs from the markets with a view to reducing costs.

d) Development of proper criteria for investment planning, and

e) Permission of public enterprises to raise resources from the capital market to execute plans of diversification/expansion. The basic purpose of operational measures is to infuse the spirit of private enterprise in public enterprises so that government control is effectively reduced and private initiative is promoted.

This is the broader view in which privatisation of the economy can be effected. The basic purpose is to limit the areas of the public sector and to extend the areas of private sector operation, including heavy industries and infrastructure.

The Principle Measures Initiated By The Government To Liberalise The Indian Economy. The structural change in economic growth (change in sectoral shares of the national income) in the Indian economy. This is evident in the form offer shift in the sectoral composition of production (income), diversification of activities and a gradual transformation of a feudal and colonial economy in to a modern industrial economy. Historical Overview while the share of agriculture and activities fell from 55% during the first plan period to 32% during the seventh plant period the sharing of manufacturing rising from 12% during the first plan period to 18% during the seventh plan period. The share of service sector increase from 28% to 38% the expansion of service
sector has not only been reducing for employment generation but also for
greater efficiency of the system and better quality of life.

Thus express structural changes have taken place in the Indian
economy during the period 1952-90 when we go by sectoral partition of life.
Thus by income criterion structural change in the Indian economy has been
very graceful.

Now, Let us consider structural changes by liberalise criterion. It is
normally accepted that one of the structural changes that occur in the course of
economic development in a progressive shift of labour from agriculture and
allied activities to secondary activities.

The interesting fact about these structural shifts in economic activities for
our purpose is not so much the ultimate decline in the significance of
agriculture (in relative terms) as the rate at which it occurred.

Indian Experience the above Historical Experience knows us that the
sectoral redistribution of the active population is a time taking process. Dislike
structural change based on income criterion, structural change based on
employment in a slow process. This is demo by Indian Experience also. The
work force engaged in primary sector (agriculture, live stock, fishing, hunting,
plantations, etc.) reduce from 71% in 1901 and 68% in 1981.

This percentage is also declining to 1990-91 and is declining to 66%. If
we take agriculture alone in the primary sector, the decline between 1901 and
1981 was from 66.6% to 66.50 by 1991 the percentage was 65. If we go by
employment criterion structural change in the Indian economy has not been
expressful. The share of secondary sector (manufacturing, construction and mining and quarrying) increase from 12% in 1901 to 13% in 1981. The percentage was 12 by 1991.¹¹

**Two Structural Features :**

The Indian economy two structural features clearly from the above account:

1) Liberalise agriculture continues to be important in the Indian economy. A little more than 30% of national income occurred in the agricultural sector.

2) There is only little structural change in economy when we go by the employment criterion. Agriculture still accounted for more than 65% of work force in early 90’s.

The under developed nature of the Indian economy became evident when we distinguish the employment structure of the Indian economy with that of a developed country Japan agriculture in Japan in 1986 accounted for only 7% of total labour force.

**Globalization :**

Globalization essentially means integration of the national economy with the world economy. It implies a free flow of information, ideas, technology, goods and services, capital and even people across different countries and societies. It increases connectivity between different markets in the form of
trade, investments and cultural exchanges. The concept of globalization has been explained by the IMF (International Monetary Fund) as ‘the growing economic interdependence of countries worldwide through increasing volume and variety of cross border transactions in goods and services and of international capital flows and also through the more rapid and widespread diffusion of technology.’ The phenomenon of globalization caught momentum in India in 1990s with reforms in all the sectors of the economy.

The main elements of globalization were:

1. To open the domestic markets for inflow of foreign goods, India reduced customs duties on imports. The general customs duty on most goods was reduced to only 10% and import licensing has been almost abolished. Tariff barriers have also been slashed significantly to encourage trade volume to rise in keeping with the World trade Organization (WTO) order under (GATT) General Agreement on Tariff and Trade. The amount of foreign capital in a country is a good indicator of globalization and growth. The FDI policy of the GOI encouraged the inflow of fresh foreign capital by allowing 100 % foreign equity in certain projects under the automatic route. NRIs and OCBs (Overseas Corporate Bodies) may invest up to 100 % capital with repatriability in high priority industries. MNCs and TNCs were encouraged to establish themselves in Indian markets and were given a level playing field to compete with Indian enterprises.

2. Foreign Exchange Regulation Act (FERA) was liberalized in 1993 and later Foreign Exchange Management Act (FEMA) 1999 was passed to enable foreign currency transactions. India signed many agreements with the WTO
affirming its commitment to liberalize trade such as TRIPs (Trade Related Intellectual Property Rights), TRIMs (Trade Related Investment Measures) and AOA (Agreement On Agriculture).

**Impact of Globalization: Advantages of Globalization:**

There is a decline in the number of people living below the poverty line in developing countries due to increased investments, trade and rising employment opportunities. There is an improvement in various economic indicators of the LDCs (Less Developed Countries) such as employment, life expectancy, literacy rates, per capita consumption etc. Free flow of capital and technology enables developing countries to speed up the process of industrialization and lay the path for faster economic progress. Products of superior quality are available in the market due to increased competition, efficiency and productivity of the businesses and this leads to increased consumer satisfaction. Free flow of finance enable the banking and financial institutions in a country to fulfill financial requirements through internet and electronic transfers easily and help businesses to flourish. MNCs bring with them foreign capital, technology, know-how, machines, technical and managerial skills which can be used for the development of the host nation.

**Disadvantages of Globalization:**

Domestic companies are unable to withstand competition from efficient MNCs which have flooded Indian markets since their liberalized entry. It may lead to shut down of operations, pink slips and downsizing. Moreover skilled and efficient labour get absorbed by these MNCs that offer higher pay and
incentives leaving unskilled labour for employment in the domestic industries. Thus there may be unemployment and underemployment. Payment of dividends, royalties and repatriation has in fact led to a rise in the outflow of foreign capital. With increased dependence on foreign technology, development of indigenous technology has taken a backseat and domestic R and D development has suffered. Globalization poses certain risks for any country in the form of business cycles, fluctuations in international prices, specialization in few exportable and so on. It increases the disparities in the incomes of the rich and poor, developed nations and LDCs. It leads commercial imperialism as the richer nations tend to exploit the resources of the poor nations. Globalization leads to fusion of cultures and inter-mingling of societies to such an extent that there may be a loss of identities and traditional values. It gives rise to mindless aping of western lifestyles and mannerisms however ill-suited they may be. It leads to overcrowding of cities and puts pressure on the amenities and facilities available in urban areas.

Globalization intends to integrate the Indian economy with the world economy. Globalization is considered to be an important element in the reforms package. It has four parameters:

i) Reduction of trade Anomalies so as to permit free flow of goods and services across national frontier

ii) To Create, to ion of an environment in which free flow of capital can take place % in

iii) Creation of an environment permitting free flow of technology among nation-states; and
iv) Creation of an environment in which free movement of labour can take place in different countries.

The definition of globalisation to only three components, viz., unhindered trade flows, capital flows and technology flows. They insist that the developing countries accept their definition of globalisation and conduct the debate on globalisation within the boundaries set by them. But several economists and social thinkers in developing movement is to integrate the world into one global village, then the four the component of unrestricted movement of labour cannot be left out. But whether the debate about globalisation is carried out at the World Trade Organisation (WTO) or at any other international forum, there is a deliberate effort to black out ‘labour flows’ as an essential component of globalisations.

To purpose the objective of globalisation, the following measures have been taken:

i) **Reduction of import duties:**

There has been a considerable reduction in import duties during the last years. The maximum rate was reduced from 5 years. The maximum rate was reduced from 150% in 1991-92 to 110% in 1992, to 85% in 1993-94, and 50% in 1995-96. Custom duties on imports of capital goods were reduced to 80% in July 1991, to 55% in 1992 and to 25% in 1995. Tariffs on imports of raw materials and manufactured intermediates have also been reduced. Besides this, the government has attempted to rapidly dismantle quantitative restriction on imports and exports. It has also undertaken adjustment of exchange rate so
as to remove over-valuation of currency. This has helped in stepping up exports.

ii) Encouragement of foreign investment:

The government has taken a number of measured to encourage foreign investment. The main measures taken in this regard are:

a) Approval would be given for direct investment up to 51 per cent foreign equity in high priority industries as per Industrial Policy of 1991. There shall be no bottlenecks of any kind in the process. Such clearances will be given if foreign equity covers the foreign exchange requirements for imported capital goods. On the 31st of December 1996 the Cabinet gave its assent to a new list of industries whereby joint ventures with up to 74 per cent foreign equity would be cleared automatically. Among the industries listed for the purpose are: Mining services such as oil and gas field services, basic metals and alloy industries, other manufacturing industries related to the item based on solar energy like solar energy like solar cells, cookers, air and water heating systems, small hydro-equipment, construction and maintenance of roads, bridges, tunnels, pipelines, ropeways, ports, harbors and runways, electric generation and transmission and other infrastructure. The basic purpose of this move is to facilitate direct foreign investment in India.

b) To provide access to international markets, majority foreign equity holding up to 51% equity would be allowed for trading companies primarily engaged in export activities.
iii) **Encouragement to foreign technology agreement:**

The Industrial Policy of 1991 undertook the following measures:

a) Automatic permission will be given for foreign technology agreements in high priority industries up to a lump sum payment of Rs. 1 crores, 5% royalty for domestic sales and 8% for exports, subject to total payments of 8% sales over a 10 year period from the date of the agreement or 7 years from commencement of production.

b) In respect of other industries, automatic permission would be given if no free foreign exchange is required for any payments.

c) No permission will be necessary for hiring of foreign technicians and foreign testing of indigenously developed technologies.¹²

The changing dimension of Indian administration under influence of LPG.

The Right to Information Act (RTI) is an Act of the Parliament of India "to provide for setting out the practical regime of right to information for citizens" and replaces the erstwhile Freedom of information Act, 2002. The Act applies to all States and Union Territories of India except Jammu & Kashmir. Under the provisions of the Act, any citizen may request information from a "public authority" (a body of Government or "instrumentality of State") which is required to reply expeditiously or within thirty days. The Act also requires every public authority to computerise their records for wide dissemination and to proactively certain categories of information so that the citizens need minimum recourse to request for information formally. This law was passed by Parliament on 15 June 2005 and came fully into force on 12 October 2005. The first application was...
given to a Pune police station. Information disclosure in India was restricted by the Act 1923 and various other special laws, which the new RTI Act relaxes. It codifies a fundamental right of citizens.

The establishment of a national level law for freedom of information proved to be a difficult task. The Central Government appointed a working group under H. D. Shourie and assigned it the task of drafting legislation. The Shourie draft, was the basis for the Freedom of Information Bill, 2000 which eventually became law under the Freedom of Information Act, 2002. This Act was severely criticized for permitting too many exemptions, not only under the standard grounds of national security and sovereignty, but also for requests that would involve "disproportionate diversion of the resources of a public authority". There was no upper limit on the charges that could be levied. There were no penalties. The Act was passed by Parliament, but was never notified, so it did not attain legal force.¹³

**State-level RTI Acts**


The Act covers the whole of India except Jammu and Kashmir, where J&K Right to Information Act is in force. It cover all constitutional authorities, including the executive, legislature and judiciary; any institution or body established or constituted by an act of Parliament or a state legislature. It
is also defined in the Act that bodies or authorities established or constituted by order or notification of appropriate government including bodies "owned, controlled or substantially financed" by government, or non-Government organizations "substantially financed, directly or indirectly by funds" provided by the government are also covered in the Act.

Private bodies are not within the Act's ambit directly. In a decision of Sarbjit Roy Vs Delhi Electricity Regulatory Commission, the Central Information Commission also reaffirmed that privatized public utility companies are not applicable for RTI. As per recent verdict, Private Bodies and NGOs as well come under the purview of RTI.

The Central Information Commission (CIC), consisting of Satyanand Mishra, M.L Sharma and Annapurna Dixit, has held that the political parties are public authorities and are answerable to citizens under the RTI Act. The CIC, a quasi-judicial body has said that six national parties, Congress, BJP, NCP, CPI(M), CPI, BSP and BJP, have been substantially funded indirectly by the Central Government and have the character of public authorities under the RTI Act as they perform public functions. In August 2013 the government introduced a Right to Information (Amendment) Bill which would remove political parties from the scope of the law. In September 2013 the Bill was deferred to the Winter Session of Parliament. In December 2013 the Standing Committee on Law and Personnel said in its report tabled in Parliament.14

The Central Information Commission (CIC) acts upon complaints from those individuals who have not been able to submit information requests to a Central Public Information Officer or State Public Information Officer due to
either the officer not having been appointed, or because the respective Central Assistant Public Information Officer or State Assistant Public Information Officer refused to receive the application for information.\textsuperscript{15}

The National e-Governance Plan (NeGP) is the result of LPG after 1990, is an initiative of the Government of India to make all government services available to the citizens of India via electronic media.\textsuperscript{16} NeGP was formulated by the Department of Electronics and Information Technology (Deity) and Department of Administrative Reforms and Public Grievances (DARPG). The Government approved the National e-Governance Plan, consisting of 27 "Mission Mode Projects" (MMPs) and Ten components, on 18 May 2006.\textsuperscript{17}

The 11th report of the Second Administrative Reforms Commission, titled "Promoting e-Governance - The Smart Way Forward", established the government's position that an expansion in e-Government was necessary in India.\textsuperscript{18} The ARC report was submitted to the Government of India on 20 December 2008. The report cited several prior initiatives as sources of inspiration, including references to the Singapore ONE programme. To pursue this goal, the National e-Governance Plan was formulated by the Department of Information Technology (DIT) and Department of Administrative Reforms and Public Grievances (DAR&PG). The program required the development of new applications to allow citizen access to government services through Common Service Centers; it aimed to both reduce government costs and improve access to services.\textsuperscript{19}

Lack of needs analysis, business process re-engineering, interoperability across MMPs, and coping with new technology trends (such as mobile
interfaces, cloud computing, and digital signatures) were some of the limitations of the initiative.

E-Governance:

E-Governance and Electronic Governance means using Information and Communications Technology (ICT) to transform functioning of the Government. It differs from E-Government as Governance is wider than Governance. E-governance may refer to governance of a Country, or the governance of an institution and also governance of a Household by a housewife. However, E-Governance under this belong refers to the Governance of a Country.

E-Government i.e. Electronic Government is the use of Information and Communications Technology (ICT) to run or carry on the business of the Government of a Country.

However the term E-government is misleading, as it implies an electronic substitute for the physical government. Electronic substitution of a government is not possible as Government is an unit of people coming together to administer a country.

A Government is a group of people responsible for the administration and control of a Country or State. It involves people like the Heads of States, Ministers, Government Employees, etc. It also involves public participation. So electronic substitution for a Government is not possible. Therefore, E-Government may only refer to a Government using in conducting its business.
Governance is all about flow of information between the Government and Citizens, Government and Businesses and Government and Government. E-Governance also covers all these relationships as follows:

1. Government to Citizen (G2C)
2. Citizen to Government (C2G)
3. Government to Government (G2G)
4. Government to Business (G2B)

Government to Citizen relationship is the most basic aspect of E-Governance. In modern times, Government deals with many aspects of the life of a citizen. The relation of a citizen with the Government starts with the birth and ends with the death of the citizen. A person transacts with the Government on every corner of his life. May it be birth registration, marriage registration, divorce or death registration.

The G2C relation will include the services provided by the Government to the Citizens. These services include the public utility services i.e. Telecommunication, Transportation, Post, Medical facilities, Electricity, Education and also some of the democratic services relating to the citizenship such as Certification, Registration, Licensing, Taxation, Passports, ID Cards etc. Therefore E-Governance in G2C relationship will involve facilitation of the services flowing from Government towards Citizens with the use of Information and Communications Technology (ICT).

1. **E-Citizenship**:

   E-Citizenship will include the implementation of ICT for facilitation of Government Services relating to citizenship of an individual. It may involve
online transactions relating to issue and renewal of documents like Ration Cards, Passports, Election Cards, Identity Cards etc. It will require the Government to create a virtual identity of every citizen so as to enable them to access the Government services online. For the same, Government would need to create a Citizen Database which is a huge task.

2. **E-Registration**:

   E-Registration will cover the online registration of various contracts. An individual enters into several contracts during his life. Many of these contracts and transactions require registration for giving it legality and enforceability. Such registration may also be made ICT enabled. E-registration will help to reduce a significant amount of paperwork.

3. **E-Transportation**:

   E-Transportation services would include ICT enablement of services of Government relating to Transport by Road, Rail, Water or Air. This may involve online.
   1. Booking and cancellation of tickets,
   2. Status of vehicles, railways, boats and flights,
   3. Issue and renewal of Driving Licenses,
   4. Registration and renewal of vehicles,
   5. Transfer of vehicles,
   6. Payment of the fees of licenses,
   7. Payment of fees and taxes for vehicle registration,
4. **E-Health:**

E-Health services would be ICT enablement of the health services of the Government. Under this interconnection of all hospitals may take place. A patient database may be created. A local pharmacy database may also be created. All this can be done.

5. **E-Education:**

E-Education would cover the implementation of ICT in imparting of education and conducting of Courses. Distant as well as classroom education will be facilitated with the use of ICT. Use of internet can reduce the communication time required in Distance education; Internet may also help in conducting online classes.

6. **E-Help:**

E-Help refers to facilitation of disaster and crisis management using ICT. It includes the use of technologies like internet, SMS, etc. for the purpose of reducing the response time of the Government agencies to the disasters. NGOs help Government in providing help in situations of disasters. Online information relating to disasters, warnings and calls for help can help the Government and the NGOs coordinate their work and facilitate and speed up the rescue work.

7. **E-Taxation:**

E-Taxation will facilitate the taxing process by implementing ICT in the taxing process. Online tax due alerts and online payment of taxes would help transact faster.
B. Citizen to Government:

Citizen to Government relationship will include the communication of citizens with the Government arising in the Democratic process like voting, campaigning, feedback, etc.

1. E-Democracy:

The true concept of Democracy includes the participation of the citizens in the democratic and governing process. Today due to the increased population the active participation of the citizens in governing process is not possible. The ICT can help enable the true democratic process including voting, public opinion, feedback and Government accountability.

2. E-Feedback:

E-Feedback includes the use of ICT for the purpose of giving feedback to the Government. Lobbying is pursuing the Government to take a certain decision. Use of ICT can enable online feedback to the Government, online debates as to the Government services.

C. Government to Government

G2G relationship would include the relationships between Central and State Government and also the relationship between two or more Government departments.

1. E-Administration:

E-administration would include the implementation of ICT in the functioning of the Government, internally and externally. Implementation of ICT can reduce the communication time between the Government Departments
and Governments. It can substantially reduce paperwork if properly used. E-administration will also bring morality and transparency to the administration of Government Departments.

2. **E-Police**:

   The concept of E-police is little different from Cyber-Police. Cyber Police require technology experts to curb the electronic/cyber crimes. E-police refers to the use of ICT for the purpose of facilitating the work of the Police department in investigation and administration. The concept of E-police includes databases of Police Officers, their performances, Criminal databases wanted as well as in custody, the trends in crimes and much more. ICT can help reduce the response time of the Police department and also reduce cost by reducing paperwork.

3. **E-Courts**:

   The concept of E-Court will include the ICT enablement of the judicial process. Technology may help distant hearing, online summons and warrants and online publication of Judgments and Decrees.

**Advantages of E-Governance**

Following are the advantages of E-Governance

1. **Speed**:

   Technology makes communication speedier. Internet, Phones, Cell Phones have reduced the time taken in normal communication.

2. **Cost Reduction** – Most of the Government expenditure is appropriated towards the cost of stationary. Paper-based communication needs lots of
stationary, printers, computers, etc. which calls for continuous heavy expenditure. Internet and Phones makes communication cheaper saving valuable money for the Government.

3. **Transparency** :

   Use of ICT makes governing profess transparent. All the information of the Government would be made available on the internet. The citizens can see the information whenever they want to see. But this is only possible when every piece of information of the Government is uploaded on the internet and is available for the public to peruse. Current governing process leaves many ways to conceal the information from all the people. ICT helps make the information available online eliminating all the possibilities of concealing of information.

4. **Accountability** :

   Once the governing process is made transparent the Government is automatically made accountable. Accountability is answerability of the Government to the people. It is the answerability for the deeds of the Government. An accountable Government is a responsible Government.

**Aspects of E-Governance** :

1. Information Management
2. Identity and Access Management
3. Content Management
4. Standards Management
5. ICT Legal Framework
Stages of E-Governance:

United Nations E-Readiness Survey contemplates the following stages of E-governance as to the online presence of Governments worldwide:

1. **Emerging Presence**:

   The Stage I i.e. Emerging presence considers online availability of limited and basic information. A basic online presence of an e-government involves an official website and few WebPages. Links to ministries and departments of Central Government, regional/local Government may or may not be available. The website at this stage may also have some archived information such as the head of states’ messages or the constitution. However at this stage most of the information remains static without there being any options for citizens.

2. **Enhanced presence**:

   The Stage II contemplated by UN is Enhanced presence of the Government online. At this stage the Government provides more public information resources such as policies of the Government, laws, regulations, reports, newsletters. This may also be downloadable at this stage. This stage may allow users to search the information within the documents available online. A help and a sitemap feature may also be provided on the website to make navigation of the website simpler. At this stage though there are more number of documents available online, the navigation of the website is still not sophisticated and is unidirectional. There are no interactivity at this stage as the information is only flowing towards the citizens rather than also from citizens to Government.
3. **Interactive presence:**

The Stage III of Interactive presence considers Governments to initiate interactivity in their websites. It involves availability of online services of the government to enhance convenience of the consumer. This will include downloadable forms and applications for payment of bills, taxes and renewal of licenses. Government Websites at this stage would have audio and video capability to increase the interactivity with the citizens. At this stage the government officials would be able contacted via email, fax, telephone and post. The website would be updated regularly to keep the information current and up to date for the public.

4. **Transactional presence:**

The Stage IV i.e. Transactional presence allows two-way interaction between the citizens and Government. It includes options such as paying taxes, applying for ID cards, birth certificates, passports, license renewals and other similar C2G interactions by allowing the citizen to submit forms and applications online 24/7. The citizens at this stage will be able to pay for relevant public services, such as motor vehicle violation, taxes, fees for postal services through their credit, bank or debit card. Providers of goods and services are able to bid online for public contacts via secure links.

5. **Networked presence:**

The Stage V as contemplated by UN Survey is ‘Networked Presence’ which represents the most sophisticated level in the online e-government initiatives. It can be characterized by an integration of G2G, G2C and C2G interactions. The government at this stage encourages citizen participation,
online participatory decision-making and is willing and able to involve the society in a two-way open dialogue. Through interactive features such as the web comment form, and innovative online consultation mechanisms, the government will actively solicits citizens’ views on public policy, law making, and democratic participatory decision making. At this stage of E-governance the integration of the public sector agencies with full cooperation and understanding of the concept of collective decision-making, participatory democracy and citizen empowerment as a democratic right, is initiated.

Strategies for E-Governance in India

1. To build technical infrastructure / framework across India:

   India lacks a full fledged ICT framework for implementation of e-governance. Complete implementation of E-governance in India will include building technical Hardware and Software infrastructure. It will also include better and faster connectivity options. Newer connectivity options will include faster Broadband connections and faster wireless networks such as 3G and 4G. The infrastructure must be built by Government, Private Sector as well as individuals. Infrastructure will also include promotion of Internet Cafes, Information and Interactive Kiosks. However while building technical infrastructure, disabled persons must also be considered. The technology implemented, shall incorporate the disabled persons.

2. To build institutional capacity:

   Apart from building technical infrastructure, the Government needs to build its institutional capacity. This will include training of Government employees, appointment of experts. Along with the Government has also to
create an Expert database for better utilisation of intellectual resources with it. Apart from this, the Government has to equip the departments with high-technology and has also to setup special investigating agency.

3. **To build legal infrastructure**:

For better implementation of e-governance, the Government will need to frame laws which will fully incorporate the established as well as emerging technology. Changing technology has changed many pre-established notions; similarly the technology is growing and changing rapidly. It is important, that the Government makes laws which incorporate the current technology and has enough space to incorporate the changing future technology. These IT laws need to be flexible to adjust with the rapidly changing technology. Currently India has only the IT Act, 2000 which is mainly an E-Commerce legislation. India has also modified many laws to include electronic technology, however it is not sufficient to cover e-governance completely.

4. **To build judicial infrastructure**:

Overall technological awareness in current Judges is very low. The judiciary as a whole needs to be trained in new technology, its benefits and drawbacks and the various usages. The judiciary may alternatively appoint new judges with new judges and setup special Courts to deal with the matters relating to ICT. The Government can also setup special tribunals to deal with matters relating with ICT.

5. **To make all information available online**:

The Government has to publish all the information online through websites. This can be facilitated through centralised storage of information,
localisation of content and content management. The information of government is public information, therefore the citizens are entitled to know every piece of information of the Government, because the Government is of the People, by the People and for the People.

6. **To popularise E-governance:**

   Literacy percentage in India is alarming. The whole world is moving towards e-governance, but India still lacks in the literacy department. The people need to be educated and made e-literate for e-governance to flourish. There are very few e-literate people in India is very low. The Government needs to campaign for e-governance, increase people’s awareness towards e-governance. Government can only encourage people to go online if it can make people feel comfortable with e-governance. This can be done through educating the people about the advantages of e-governance over physical governance. This can also be done through raising awareness of the leaders who can motivate the people to go online.

7. **Centre-State Partnership:**

   Indian setup is quasi-federal. Therefore Centre-State and inter-state cooperation is necessary for smooth functioning of the democratic process. This cooperation is also necessary for successful implementation of e-governance. This cooperation shall extend to Centre-state, inter-state and inter-department relationships. For the same the Government can setup a Central Hub like the current Government of India portal, for accessing the information of all the organs of the central government and also all the state government.
The states can cooperate with the Centre to create a National Citizen Database.

8. **To set standards:**

Finally it is important to set various standards to bring e-governance to the quality and performance level of private corporate sector. The Government of India is currently working on standards management and has various drafts prepared for the same. These standards include following: Inter-operability standards, Security standards, Technical standards, Quality standards. Government websites in India currently have no uniform standard. Many Government of Maharashtra websites differ in standards within even two of its web pages. There is no set standard as to quality of the information, document, the formats, etc. It is very important for the Government to set uniform national standards to be followed by all the Governments and agencies.

After the LPG system compelled the India to equip if citizen with the skill of knowledge that leads the introduction of RTE in course of time. The Right of Children to Free and Compulsory Education Act or Right to Education Act (RTE), is an Act of the Parliament of India enacted on 4 August 2009, which describes the modalities of the importance of free and compulsory education for children between 6 and 14 in India under Article 21A of the Indian Constitution. India became one of 135 countries to make education a fundamental right of every child when the act came into force on 1 April 2010.

Present Act has its history in the drafting of the Indian constitution at the time of Independence but is more specifically to the Constitutional Amendment of 2002 that included the Article 21A in the Indian constitution making
Education a fundamental Right. This amendment, however, specified the need for a legislation to describe the mode of implementation of the same which necessitated the drafting of a separate Education Bill.\textsuperscript{21}

A rough draft of the bill was composed in year 2005. It received much opposition due to its mandatory provision to provide 25% reservation for disadvantaged children in private schools. The sub-committee of the Central Advisory Board of Education which prepared the draft Bill held this provision as a significant prerequisite for creating a democratic and egalitarian society. Indian Law commission had initially proposed 50% reservation for disadvantaged students in private schools.\textsuperscript{22}

On 7 May 2014, The Supreme Court of India ruled that Right to Education Act is not applicable to Minority institutions.

The bill was approved by the cabinet on 2 July 2009. Rajya Sabha passed the bill on 20 July 2009 and the Lok Sabha on 4\textsuperscript{th} August 2009. It received Presidential assent and was notified as law on 26 August 2009 as The Children’s Right to Free and Compulsory Education Act. The law came into effect in the whole of India except the state of Jammu and Kashmir from 1 April 2010, the first time in the history of India a law was brought into force by a speech by the Prime Minister. In his speech, Manmohan Singh, former Prime Minister of India stated that, “We are committed to ensuring that all children, irrespective of gender and social category, have access to education. An education that enables them to acquire the skills, knowledge, values and attitudes necessary to become responsible and active citizens of India.”\textsuperscript{23}
The RTE Act provides for the: Right of children to free and compulsory education till completion of elementary education in a neighbourhood school. It clarifies that ‘compulsory education’ means obligation of the appropriate government to provide free elementary education and ensure compulsory admission, attendance and completion of elementary education to every child in the six to fourteen age group. ‘Free’ means that no child shall be liable to pay any kind of fee or charges or expenses which may prevent him or her from pursuing and completing elementary education. It makes provisions for a non-admitted child to be admitted to an age appropriate class. It specifies the duties and responsibilities of appropriate Governments, local authority and parents in providing free and compulsory education, and sharing of financial and other responsibilities between the Central and State Governments. It lays down the norms and standards relating inter alia to Pupil Teacher Ratios (PTRs), buildings and infrastructure, school-working days, teacher-working hours. It provides for rational deployment of teachers by ensuring that the specified pupil teacher ratio is maintained for each school, rather than just as an average for the State or District or Block, thus ensuring that there is no urban-rural imbalance in teacher postings. It also provides for prohibition of deployment of teachers for non-educational work, other than decennial census, elections to local authority, state legislatures and parliament, and disaster relief. It provides for appointment of appropriately trained teachers, i.e. teachers with the requisite entry and academic qualifications it prohibits.

a) Physical punishment and mental harassment.

b) Screening procedures for admission of children.

c) Capitation fee.
d) Private tuition by teachers and
e) Running of schools without recognition.

It provides for development of curriculum in consonance with the values enshrined in the Constitution, and which would ensure the all-round development of the child, building on the child’s knowledge, potentiality and talent and making the child free of fear, trauma and anxiety through a system of child friendly and child centered learning.

The Act makes education a fundamental right of every child between the ages of 6 and 14 and specifies minimum norms in elementary schools. It requires all private schools (except the minority institutions) to reserve 25% of seats for the poor and other categories of children (to be reimbursed by the state as part of the public-private partnership plan). Children are admitted in to private schools based on caste-based reservations. It also prohibits all unrecognised schools from practice, and makes provisions for no donation or capitation fees and no interview of the child or parent for admission. The Act also provides that no child shall be held back, expelled, or required to pass a board examination until the completion of elementary education. There is also a provision for special training of school drop-outs to bring them up to par with students of the same age.

The RTE act requires surveys that will monitor all neighborhoods, identify children requiring education and set up facilities for providing it. The World Bank education specialist for India, Sam Carlson, has observed:
The RTE Act is the first legislation in the world that puts the responsibility of ensuring enrolment, attendance and completion on the Government. It is the parents' responsibility to send the children to schools in the US and other countries.25

The Right to Education of persons with disabilities until 18 years of age is laid down under a separate legislation- the Persons with Disabilities Act. A number of other provisions regarding improvement of school infrastructure, teacher-student ratio and faculty are made in the Act. Education in the Indian constitution is a concurrent issue and both centre and states can legislate on the issue. The Act lays down specific responsibilities for the centre, state and local bodies for its implementation. The states have been clamoring that they lack financial capacity to deliver education of appropriate standard in all the schools needed for universal education.26 Thus it was clear that the central government (which collects most of the revenue) will be required to subsidies the states.

A committee set up to study the funds requirement and funding initially estimated that Rs. 1710 billion or 1.71 trillion (US$38.2 billion) across five years was required to implement the Act, and in April 2010 the central government agreed to sharing the funding for implementing the law in the ratio of 65 to 35 between the centre and the states, and a ratio of 90 to 10 for the north eastern states.27

However, in mid 2010, this figure was upgraded to Rs. 2310 billion, and the center agreed to raise its share to 68%. There is some confusion on this, with other media reports stating that the centre's share of the implementation
expenses would now be 70%. At that rate, most states may not need to increase their education budgets substantially. A critical development in 2011 has been the decision taken in principle to extend the right to education till Class X (age 16) and into the preschool age range. The CABE committee is in the process of looking into the implications of making these changes.

National Advisory Council (NAC):

The Ministry of HRD set up a high-level, 14-member National Advisory Council (NAC) for implementation of the Act. The members include

1. Kiran Karnik, former president of NASSCOM.
2. Krishna Kumar, former director of the NCERT.
3. Mrinal Miri, former vice-chancellor of North-East Hill University
4. Yogendra Yadav – Social Scientist India.
5. Sajit Krishnan Kutty Secretary of The Educators Assisting Children's Hopes (TEACH) India.
6. Annie Namala, an activist and head of Centre for Social Equity and Inclusion.
7. Aboobacker Ahmad, vice-president of Muslim Education Society, Kerala.

A report on the status of implementation of the Act was released by the Ministry of Human Resource Development on the one-year anniversary of the Act. The report admits that 8.1 million children in the age group six-14 remain out of school and there’s a shortage of 508,000 teachers country-wide. A shadow report by the RTE Forum representing the leading education networks in the country, however, challenging the findings pointing out that several key
legal commitments are falling behind the schedule. The Supreme Court of India has also intervened to demand implementation of the Act in the Northeast. It has also provided the legal basis for ensuring pay parity between teachers in government and government aided schools.\footnote{31}

Haryana Government has assigned the duties and responsibilities to Block Elementary Education Officers cum Block Resource Coordinators (BEEOs-cum-BRCs) for effective implementation and continuous monitoring of implementation of Right to Education Act in the State. It has been pointed out that the RTE act is not new. Universal adult franchise in the act was opposed since most of the population was illiterate. Article 45 in the Constitution of India was set up as an act. The State shall endeavour to provide, within a period of ten years from the commencement of this Constitution, for free and compulsory education for all children until they complete the age of fourteen years. As that deadline was about to be passed many decades ago, the education minister at the time, M C Chagla, memorably said:

Our Constitution fathers did not intend that we just set up hovels, put students there, give untrained teachers, give them bad textbooks, no playgrounds, and say, we have complied with Article 45 and primary education is expanding. They meant that real education should be given to our children between the ages of 6 and 14 – M.C. Chagla, 1964.\footnote{32}

In the 1990s, the World Bank funded a number of measures to set up schools within easy reach of rural communities.\footnote{33} This effort was consolidated in the Sarva Shiksha Abhiyan model in the 1990s. RTE takes the process further, and makes the enrolment of children in schools a state prerogative.
NOTES AND REFERENCES


4. Saxena, Pradeep “Managing the transition: Foreign Direct Investment in India” A paper Presented in the round table conference of the International Institute of Administrative Science in Quebec (Canada) 14-17 July 1997, In this Paper’s presentation it was feared that the economies based on FDI will later or sooner face the economic crisis.

5. Major ruling parties like Congress in Madhya Pradesh and Bhartya Janata Party in Rajasthan, Haryana, Maharashtra States experienced unexpected defeats of their candidates as these state governments have tried to introduce trade in service policy in their respective states. As such, India has shown that trade in service sector is not politically sustainable and may generate more political instability in the country.


30. Aarti Dhar. "Education is a fundamental right now". The Hindu. (1 April 2010)


32. "India joins list of 135 countries in making education a right". The Hindu News. 2 April 2010.