CHAPTER-VII

REFORMS NEEDED TO REORIENT AND TO STRENGTHEN ALL INDIA SERVICES
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Civil Service is essential for the functioning of government. The civil service has long been regarded as the 'steel frame' of administration in India right from colonial days. The colonial legacy of civil service is still continuing in this fast changing era of globalization. It is in this context that civil service reform forms a quintessential part for good governance.

The institution of civil service has rendered yeoman service to the overall socio-economic development of the country. It has been at the forefront of the development process right from the 'commanding heights regime' to the 'liberalization and de-regulation era'. It has acted as a force of unity among diversity. It has not only played a pivotal role in designing and activating policies, it has also ensured basic service delivery at the cutting edge of government-citizen interface.

In recent times, there has been accelerated changes globally, brought about by technological advances, liberalization, greater decentralization and social activism. A primary challenge before the government is to exploit the advantages of globalization and international interdependence to foster economic growth while preserving sovereignty and remaining focused on economic development. The ramifications of global changes are being felt by the government in the form of increasing citizen expectations for better governance through effective service delivery, transparency, accountability and rule of law. The civil service, as the primary arm of government, must keep pace with the changing times in order to meet the aspirations of the people. The purpose of 'reform' is to reorient the Civil Services into a dynamic, efficient and accountable apparatus for public service delivery built on the public service ethos and values of integrity, impartiality and neutrality. The reform is to raise the quality of public services delivered
to the citizens and enhance the capacity to carry out core government functions, thereby, leading to sustainable development³.

Prior to developing the contents of Civil Service Reforms, there is a need for an open, objective stock taking of the current situation. International studies on the functioning of civil services and bureaucracies point to the following problems:

- Endemic overstaffing and ill-equipped service, accompanied by unsustainable staffing expenditures cutting to development programmes;

- Misaligned organizational structures, poor human resource management, and lack of incentives responsible for weak administrative capacity to carry out the core government functions; and

- Poor credibility and accountability of public institutions strained by cumbersome civil service rules, political interference, low public morale and cultures on non-performance.

It is said that India’s massive bureaucracy is maintained at huge cost by the country’s tax payer whose average income is among the lowest in the world. But the public perception about the members of the civil service, who function at cutting edge and higher coordinating and policy making levels, is that they are ‘burdensome low-performers’ heading a highly bloated bureaucracy, which is, often, perceived to be corrupt and inefficient in governing the country⁴. The ailments afflicting Indian civil services are:

- Lack of professionalism and poor capacity building.

- Alienation from the public and lack of understanding of what people want.

- Inefficient incentive systems that do not appreciate upright and outstanding civil servants but reward the corrupt and the incompetent.
• Outmoded rules and procedures that restrict the civil servant from performing effectively.

• Lack of performance culture and focus on outputs and outcomes - inappropriate performance appraisal.

• Systemic inconsistencies in promotion and empanelment.

• Lack of adequate transparency and accountability procedures - there is also no safety for whistle blowers.

• Arbitrary and whimsical transfers - insecurity in tenures impedes institutionalization.

• Political interference and administrative acquiescence.

• A gradual erosion in public service values, ethics and morale.

It is well recognized that reforming the civil service is not only necessary but also inevitable. It has a much value in governance as in socio-economic development.

A well-functioning civil service helps to foster good policymaking, effective service delivery, accountability and responsibility in utilizing public resources which are the characteristics of good governance. ‘Good Governance’ is being used as an all-inclusive framework not only for administrative and civil service reform, but as a link between Civil Service Reform and an all-embracing framework for making policy decisions effective within viable systems of accountability and citizen participation. Administrative reform focuses on rationalizing structures and operations of government machinery. Governance reform tends to focus on facilitating the effective functioning of and interactions between the state, the market and the civil society. It refers to the improvement of legal, institutional and policy frameworks to create proper decision making and implementation environments for economic growth and distribution. It encompasses participatory systems for elements of civil society to become actively involved in formulation of policies and programmes and
their implementation. It also includes effective and transparent systems and processes for accountability in government activities. Civil service reform cannot be seen in isolation and it has to be undertaken along with administrative and governance reforms for effective results.

Although comprehensive reform that involves governance, the civil service, administrative practices, and civil society is ideal, it requires sustained commitment from political and administrative leaders. It is also too complex to implement all at once. Few countries have undertaken comprehensive reforms and there are mixed results. The challenge lies in finding linkages among the governance, civil service and civil society components, determining which require priority attention.

Civil Service Reform aims at strengthening administrative capacity to perform core government functions. These reforms raise the quality of services to the citizens that are essential to the promotion of sustainable economic and social development. Civil Service Reform can contribute to macroeconomic stabilization by restoring budgetary stability, strengthening revenue collection, managing aid effectively, and improving development performance through proper implementation of investment frameworks and the management of public expenditure plans and programmes. The reform can contribute to the design and implementation of an equitable programme of social development. Enhancing the capacity of civil servants and improving their morale are critical to all these functions.

COMPONENTS OF CIVIL SERVICE REFORMS

Reforms must take into account the role of the Civil Service in the governance needs of the day and the expectations generated from it. The main components of Civil Service Reform are: 1) Size and Structure of Government, 2) Recruitment, 3) Capacity building, 4) Performance & Promotion, 5) Professionalism & Modernity, 6) Accountability.
1. SIZE AND STRUCTURE OF GOVERNMENT: Since independence, the government has increased the number of their ministries, departments and officials; in some cases even doubling them. In part, this growth has been stimulated by political considerations; it accommodated more and more intra-party groups by offering more ministerial positions. It also created posts for senior civil servants, along with other jobs at other levels that enlarged the patronage capabilities of a number of political and bureaucratic leaders.

However, this expansion has not been offset by a concomitant shedding of lower priority responsibilities or other attempts to eliminate redundancy. Apart from its budgetary aspect, this kind of expansion has stretched implementation capacity, and compounded coordination problems. Civil servants are spending more and more time in maintaining and / or clarifying their jurisdictional rights and boundaries, clearing their decisions through increasingly complex internal processes, and coordinating their activities through an increasing number of agencies.

In addition, enlargement of government structure has created vested interest groups at all levels that have blocked efforts at reform and rationalization. Once a ministry, department, division and unit have been created, it is difficult to abolish, even though its function may well have been transferred or may no longer exist. Similarly, it is difficult to dismiss a government employee who has tenure guarantees.

Although these kinds of expansion have serious impacts on the performance of civil servants, they are difficult to compare systematically in either fiscal terms or in terms of quality of service. Although the cost of running the government as a percentage of Gross Domestic Product is roughly the same in many countries, taxpayers receive vastly different values in return.

Rightsizing Civil Services: This issue of civil service efficiency vis-à-vis size is critical. Although world wide reduction in size of civil services is often under budgetary pressures and / or threats from donors and lenders,
fundamental questions such as the number of ministries and internal cohesion and the integration of functions within each ministry are not looked into. Although limited guidelines exist on the appropriate size and structure of a ministerial administration, it is possible to make some tentative recommendations. The number of ministries should be kept low so as to contain administrative costs. Even if political considerations warrant the appointment of new ministers, they should be kept as ministers with a major portfolio within an existing ministry. The critical point is to retain the viability and integrity of a ministry by keeping all the closely related activities in the context of a government's priorities within one administrative structure. This enables ministry officials to carry out their responsibilities efficiently and to be held accountable for their performance. The administrative reforms must look into the role clarification, core governance issues so that optimum number of functionaries are available for effective service delivery without any spillage or leakage.

2. **RECRUITMENT:** Civil service recruitment and promotion hinge on several factors such as patronage versus merit; the relative importance of ethnic, religious, regional and gender preferences. Even where countries adopt a merit-based system, various practices militate in favour of these biases. An explicit political dimension becomes pronounced not only at the highest levels of policy and programme formulation, but also at the lowest levels of regulatory and control activities.

Such political pressures are most pronounced in countries with diverse ethnic, religious, and cultural groups. These stresses on recruitment and promotion become severe where economic growth has not opened up job opportunities for the employable, either educated or unskilled and the government becomes the employer of last resort. However, where economies expand, public employment tends to shed bias restrictions and even to use private sector practices to bring qualified people into the civil service.
The recruitment examination for Indian Civil Services is of course one of the most rigorous examinations across the world. The changing trends in the society as well as the economy make it imperative to stress more on technological knowledge and in areas such as human rights. There is also very little stress on testing managerial skills in the examination. The qualifying age and syllabus for civil service examinations have undergone frequent changes in the past, some times arbitrarily.

The changes in our economy create a need for specialists at various jobs. With rapidly advancing technology and high degrees of specialization in every field, the country can no longer afford to put generalists in positions requiring specialized skills. The entry and exit of civil servants from public service to private sector and vice versa, will make the Civil Services jobs more attractive, thus making it a new economy job. This may create the risk of competition feeding into the civil services even more insidiously than it already has. But that will at least help enforce accountability and be beneficial in the long run.

In the decades since independence, Indian scholars and officials have produced an extensive and lively debate about ways in which civil service productivity can be increased and staff accountability and responsiveness enhanced. The thrust is as much about enhancing merit-based systems to raise the productivity and motivation of existing employees as on streamlining and rationalizing the structure of the civil service.

There are differing opinions regarding the extent to which the civil service will benefit from the entry of outsiders. On the positive side, many maintain that lateral recruitment practices will help to bring fresh ideas and skills into government, and that it will also provide incentives for current civil servants to perform better or risk being passed over for the prime postings. Yet a number of factors have to be balanced against these advantages. The response of the organized sector to the deputation of its senior management and professionals to central and state governments is
not clear. It is cautioned about the need to ensure that the skills which lateral entrants are expected to bring in were not otherwise available within the civil service, which is needed to avoid the risk that the selection process becomes ad hoc and ends up demoralizing existing personnel. The other touchy issues are the offer of market-related salaries and the process of selection. It is necessary to lay down an open and uniformly enforced process of eligibility criteria, selection and assessment to avoid charges of arbitrary and politically biased appointments. Governments also have to contend with union opposition to the offer of market remuneration to outside recruits for performing what the unions perceive as essentially departmental functions.

A final dimension relates to the mobility of senior civil servants across public and private sectors to gain exposure by working for short or long periods with the private and voluntary sector. Beyond provisions for deputation to state enterprises and external aid agencies, there are provisions in the rules of All India Services and a number of state services to permit the deputation of senior officials to work in private sector or Non-Government Organizations.

The challenges confronting expanded use of lateral recruitment are important, but not decisive. The issue must be addressed carefully in a phased and systematic manner, which will allow governments to take full advantage of the benefits in terms of improved skills and motivation while mitigating against some of the costs in terms of political favouritism and demoralization.

3. CAPACITY BUILDING AND HUMAN RESOURCES DEVELOPMENT: The training offered for civil service recruits is one of the most comprehensive training systems in the world. The gaps where the training facilities are not in tune with the new trends have to be identified from time to time, so that training can be provided right at the induction level and at regular intervals.
The urgency for reforms in civil services is dedicated as much by the imperatives of global developments as by the forces of new technology and communication which are shrinking distance and time, rendering conventional approaches and practices of administration obsolete and dysfunctional. Towards this end, a number of measures have to be taken for simplification of rules and procedures, delegation of enhanced powers, better enforcement and accountability and speedy redress of public grievances.

Restructuring Human Resource Management

Building a motivated and capable civil service requires merit-based and non-discriminatory recruitment, which rests on the absence of political patronage, transparent rules and procedures, open competition and selection by an independent agency. Subsequently, important elements in meritocracy and the motivation of employees are the opportunities for promotion, recognition and reward for performance, inter-section mobility, placement in right jobs and the scope for skill upgrading and self-improvement. It is equally important to address demotivating factors like frequent and arbitrary transfers, a poor work environment, decrepit housing and health care facilities, as well as special factors affecting women in office and field jobs. Civil service does not function in vacuum; civil service reforms require a relook at the entire management of human resources in government and the incentives and disincentives facing the public service from top to bottom.

Strengthening Meritocracy in Service

Promotion-with its higher emoluments and enhanced status—remains a key element of motivation. There are differing approaches to the use of seniority and merit as criteria for promotion in countries following a similar hierarchical, 'mandarin' structure of civil service management. Singapore consistently promotes people entirely according to merit and it is common to see younger officers supersede more senior, but less competent, officers. Malaysia follows a system of promotion and
annual salary progression based upon a new performance appraisal and remuneration system.

The National Commission to Review the Working of the Constitution has recommended the creation of a statutory body: Civil Services Board (CSB) to look into issues such as transfers and promotion of civil servants (NCRWC, 6.7.1). This will help in reducing political pressures on the careers of civil servants and better use of civil service resources. As there should be cohesion between the political masters and the civil servant for ensuring good governance, the Civil Service Board can be used to delink civil service performance issues from politics to the extent possible. A clear demarcation line can be drawn between the two with the establishment of such boards. However, the Board may act in advisory subject to stipulated and legitimately approved norms.

4. PERFORMANCES AND PROMOTION

Reforming the Annual Confidential Report Process

Because of its impact on salary, career prospects and decisions on premature retirement, the framework for performance appraisal has important consequences for the motivation of employees. The Annual Confidential Report process is also meant to be used in training and human resource development, confirmation, and crossing efficiency bars.

The question of how employee performance should be systematically evaluated in a fair reliable fashion, without generating unnecessary conflict, is a complicated one. Although supervisors have the right to provide continuous feedback and guidance to employees, Annual Confidential Reports are the principal means of periodic formal appraisal. However, the non-transparent, subjective and unilateral character of Annual Confidential Reports in all states has reduced its utility for public agencies and alienated employees. In most states, the formats are uniform for all the employees regardless of the nature of functions. Discussions between the evaluator and employee being evaluated are absent and typically only take place if an adverse remark is being entered. There are
wide variations in the grading of civil servants between states and the linking of empanelment of civil servants to Annual Confidential Report has led to a system of civil servants following up their Annual Confidential Reports to the level of the political masters.

Serious efforts to reform the system of performance assessment are urgently needed. In the near term, efforts can be made to revise and update the Annual Confidential Report format and incorporate more department-specific and objective feedback. Improvements can also be made without much difficulty to improve the consultative nature of the Annual Confidential Report process and the feedback managers provide to staff. A Performance Appraisal Model will be of great use in reforming Annual Confidential Reports.

Civil Services Performance Systems

The present promotion system in civil services is based on timescale and is coupled by its security of tenure. These elements in our civil service are making the dynamic civil servants complacent and many of the promotions are based upon patronage system. The non-inclusion of incentives or disincentives for performance is a major drawback for civil services and is making Indian civil services largely unaccountable to the state.

Civil servants are not only recruited through open competitive examination, but certain officials from the state governments are also being promoted. The whole idea of All India Civil Services gets lost when other state officers are promoted to civil services and work in the state itself. This is indeed a retrograde step. It should be made mandatory for the officers who are promoted to civil service to serve in other states to keep the idea of creating a working All India Civil Services.

These promotions should be merit based and the respective authorities have to benchmark the best practices and evaluate the performance of the civil servants both qualitatively and quantitatively with a variety of parameters. The performance appraisal of civil servants
has to be according to these benchmarks and the necessary placement reward and punishments can be taken up by the authorities.

The recent reform in Hong Kong Civil Services wherein it was mandated that the civil servants would be recruited on a permanent basis but their continuation in the job would be subject to verifying the performance indicators from time to time. This model can be replicated in India also. There may be periodic performance reviews or audits for civil servants, especially when they become 50 or complete a certain number of years in service.

5. PROFESSIONALISM AND MODERNITY: The founding fathers of the Constitution wisely provided, by making provisions in Part XIV of the Constitution, for apolitical and independent civil services, with requisite protection for service matters. These provisions pertain not just to the union but also the states. One of the provisions of the Constitution (Article 312) which was hotly debated and faced considerable opposition, particularly from the provincial governments, pertained to the creation of All India Services (AIS) with recruitment based on All India competitive examination and dual control by the centre and the states. Such a constitutional protection was meant to enable the All India Services to operate independently, freely, objectively and fearlessly. Unfortunately, political interference and administrative acquiescence has severely dented the professional fibre of the service.

The neutrality of civil servants, especially at the highest levels of policy-making and programme formulation, is important to maintain, particularly in democracies where leaders change periodically. Bureaucratic continuity is a necessity, even though it may become a mechanism for creating a privileged, self-oriented group within the state. It is worth noting that the principle of bureaucratic neutrality as an instrument for the preservation of democracy has never been rejected outright.
Although legal, sometimes constitutional measures can provide for such neutrality, there are also structural arrangements that facilitate the separation between politics and administration both substantively and procedurally. In parliamentary democracies, the secretary of the ministry is a permanent civil servant who heads the ministry’s administration temporarily and acts as the chief advisor to the minister. He or she is thereby involved in discussing and often influencing political matters that relate to the ministry. Usually, a thin line is drawn between the secretary’s advisory capacity and his or her active involvement in promoting the interests of the dominant party in policy formulation and implementation. However, neutrality does not mean that high-ranking civil servants cannot or should not be involved in articulating public policy. Indeed, senior officials are professionally and morally obliged to provide their political leaders with policy alternatives based on sound arguments, relevant precedents, and sustainability in the context of changing political environments. It is essential that they do so, however, from a non-partisan position.

Civil servants have to bring a new orientation to rules by which the everyday conduct of public affairs has to be regulated. Civil servants have much to contribute to the shaping and not just implementation of the policy.

**Professional Skills:** Professional skills of officers may relate to three functional categories—implementation, program/project preparation and policy formulation—as well as to specific themes (domain areas or specializations). Concreted effort needs to be directed towards encouraging civil servants to cultivate professional skills through direct work experience or through research. Civil servants need to be fully trained in methods and practices of good governance-social audit, performance management, and change management. Training and study course participated must be reflected in the Annual Confidential Report as well as pre reviewed published research.
Modernity: Reforms and e-Governance: The concept of e-governance is bound to play a major role in the reform process of civil services. With the increase in literacy rates and accessibility to technology, the civil servants will be more accountable and transparent in the conduct of their duties. Any present day civil service reform is incomplete if it neglects the role of information and communication technologies.

As we have been emphasizing the need to reform keeping in view of the changing circumstances, there is a need to reform civil services and make civil servants pro-active in the developmental process. The civil servants should not view reforms with cynicism, but should actively take part in the reform process. The sense of reforms should come from within the civil servants to create pro-active, vibrant and accountable civil service.

6. CIVIL SERVICE ACCOUNTABILITY: The civil servants have always played a pivotal role in ensuring continuity and change in administration. However, they are dictated by the rules and procedures which are formulated taking their advice into account. It is the 'rule of law' rather than the 'rule of man' that is often blamed for widespread abuse of power and corruption among government officials. The explosion of media in the recent past has opened civil servants to external scrutiny and called for transparent accountability mechanisms in terms of outcomes and results, not processes. The issues of accountability of civil servants in service delivery have come to the fore front in all dialogues regarding civil service reforms. The credibility of civil service lies in the conspicuous improvement of tangible services to the people, especially at the lower level.

Improving Service Delivery: The lower level point is the most important node in the entire ladder of administration. All the policies, priorities, projects, programmes and schemes get a meaningful shape in terms of implementation at this point. The government is put to acid test at this level. Therefore, it is not only imperative but inevitable that, district
and local administration are made simple, effective, efficient, transparent and accountable. Improving service delivery necessitates a dynamic change in philosophy and practice from (a) administration to management, (b) excessive regulation to facilitation, (c) administrative-centric governance to citizen-centric governance, (d) centralization to decentralized governance, (e) expenditure tracking to outcome tracking, and (f) viewing citizens as customers rather than as beneficiaries. It is the district and local administration that have to play the operational role in translating policies and programmes into credible actions by providing services to the citizens effectively, equitably and transparently.

Over time, the role and responsibilities of public administration have become increasingly complicated and convoluted. There has been a manifold growth in the number of schemes and programmes, departments and personnel operating at the state, district and local tiers. However, in view of the 73rd and 74th Amendments to the Constitution, there is a need for redefining the role of administration at all the tiers of governance. This role of civil servants in service planning and delivery at the state, district and local levels has to be discharged in the framework of decentralization mandated by the 73rd and 74th Amendments.

Enhancing effectiveness of civil servants in service delivery to the people requires that concerted efforts are planned and directed towards:

- Strengthening decentralization and facilitating transfer of power to local bodies to discharge the developmental and welfare functions;
- Undertaking devolution of functions, finances and functionaries as a prerequisite for achieving decentralized governance;
- Critically reviewing district administration and aligning the role of the District Collector with the demands, making it primarily focused on functions pertaining to land records, district planning, coordination of plan implementation, regulation, disaster management, information management, performance management, civil society engagement, district capacity building, etc.
- Strengthening capacity, accountability mechanisms and putting checks and balances in place at all levels to prevent misuse of power;
- Simplifying government processes and procedures to minimize waste and delay reduce red tape and prevent corruption.

A key area of action is to transform administration from a supply-driven approach to demand-based. Civil service must enable people to exercise their voice and customer power to demand better services and themselves discharge some responsibilities such as supervision and vigilance over service delivery and monitoring service quantity, quality and performance. Involving people in identifying their needs and demands, and in designing and implementing policies and programmes can go a long way to engage citizens as partners in the development process and increase development effectiveness. Citizen governance should be recognized as the foundation of representative democracy. It increases the democratic content of government and provides opportunities for citizens to take interest in public affairs. This calls for a fundamental change in the process of governance and a paradigm shift in the nature of operation of the civil service. *Today the reinvention of the citizen is of crucial importance to public administrative practice.*

Information is Power. Concerted effort must be made to make administration more transparent and responsive with guaranteeing the right to freedom of information is a first step. Civil service has to play a key role in this context. Information technology holds much relevance for improving governance and efficacy of the civil service. The age old Weberian system of administration can be made more potent and dynamic by using Information Technology tools in myriad ways – in building comprehensive Management Information Systems, simplifying, standardizing and codifying processes, monitoring and evaluating programmes,
disseminating information, disposing grievances, delivering services electronically through automated counters, cutting interface of the public with service providers, etc.

The chart shows the accountability of a civil servant at various levels.
Transparency is a necessary part of accountability, though they are two different concepts. To hold a civil servant accountable, it is necessary to find out the information about the civil servants' decisions and actions. This leads us to the urgent need for implementation of legislation pertaining to the Right to Information and protection for the citizens who blow the whistle.

For greater accountability in civil service, the following are some of the measures suggested:

- Introducing performance measurement and management.
- Strengthening and streamlining reporting mechanisms.
- Streamlining and fast-tracking departmental enquiries.
- Overhauling employee grievance procedures.
- Taking prompt action on audit findings.
- Linking performance with incentives and disincentives.
- Implementing Citizens Charters and Service Charters.
- Effective monitoring service delivery.
- Involving the people in all spheres of public affairs.
- Enforcing Right to Information Act.
- Prescribing and implementing Code of conduct for all actors dealing with public affairs in addition to civil servants.
- Transparent and regular disclosure of public conduct for public consumption.
CHANGE OF MINDSET

A paradigm shift in the nature of civil service / servants is required to cope up with the emerging demands and the changes in society and economy. The following table summarizes the nature of changes required in this esteemed service for better performance.

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment: to the Civil Service</td>
<td>Commitment: to public service</td>
</tr>
<tr>
<td>Core values: Integrity and neutrality</td>
<td>Core values: Integrity, impartiality and delivery</td>
</tr>
<tr>
<td>Precedent: Follower</td>
<td>Precedent: Creator</td>
</tr>
<tr>
<td>Work: Exclusively in policy and ministerial support roles</td>
<td>Work: Vary roles between operations, policy, specialist skills and ministerial support</td>
</tr>
<tr>
<td>Aims: To lead the development of a major policy area</td>
<td>Aims: To deliver the outcomes of a major policy area</td>
</tr>
<tr>
<td>Experience: Widen experience by brief tenures in public sector</td>
<td>Experience: Widen experience by taking a private sector role</td>
</tr>
<tr>
<td>Training: Fast stream</td>
<td>Training: Career-long</td>
</tr>
<tr>
<td>Orientation: Status Quo</td>
<td>Orientation: Change</td>
</tr>
<tr>
<td>Monopolistic</td>
<td>Competitive</td>
</tr>
</tbody>
</table>

The mindset block issues can be addressed by carefully-formulated change management and leadership programmes undertaken across the public service.
REFERENCES


10. WWW.cabinet.office.gov.uk/civilservice.reform.