Design and Implementation of Programmes

Successful implementation of development programmes requires adequate funds, appropriate policy framework and effective delivery machinery. Past experience has suggested that availability of funds is no panacea for tackling the problems of poverty and backwardness; it may be necessary but not a sufficient condition. The determining factor seems to be the capability of the funding Ministries to formulate viable schemes and the delivery system to optimally utilise funds and achieve sustainable growth. These two inter-related issues of design of programmes and its implementation are discussed in this chapter.

The GOI Ministries spend roughly Rs 35,000 crore annually on Programmes that are meant to achieve Poverty Alleviation. Some of the main programmes are:

Name of the programme/ Ministry	Budget allocation in 1999-00 in crore Rs
RD schemes	9,427
PDS	9,200
Subsidy on kerosene	8,040
Health & Family Welfare (only 70% of the outlay)	2,841
Social Justice & Empowerment Sector	1,207
ICDS	1,147
Mid day meal	1,031
DPEP	760
Watershed development through agriculture	229
Tribal Development	193
Swarnajayanti Shahari Rozgar Yojana (Urban Poverty)	182
Total	34,257

Since the States also contribute to such Programmes, the overall amount reaching the districts through these schemes alone would be more than Rs 40,000 crore. This is not including funds spent on many other sectors such as infrastructure and social services, which also create employment and benefit the poor. The total number of poor families in the country being approximately 5 crore, the allocation of funds per poor family would then be roughly Rs 8,000/- per annum. Even assuming that each one of the 5 crore families were completely penniless and had no other source of income they could buy every day 3 kg of foodgrain with this money from the market at the rate of 7.5 Rs per kg and thus come above the poverty level. If these funds are not being sent to the poor through a money order and are being spent on development schemes through government machinery, the underlying assumption is that benefits which will accrue to the poor through planned expenditure via bureaucracy will ultimately amount to more than Rs 8,000/- per annum and provide greater long-term satisfaction and increased incomes because of spin-off effects. However, the moot question remains, is the above assumption valid? To what extent the benefits percolating down?

Findings of the CAG

The CAG studied the implementation of a few schemes and observed as follows in their 1999 report:

‘The result of the performance reviews of these schemes carried out in the controlling Union ministries and the different states disclosed a common pattern of shortcomings in the execution of all Centrally Sponsored Schemes as under:

♦ Inability of the Union ministries to control the execution of the schemes with a view to ensuring the attainment of the stated objectives in the most cost effective manner and within the given time-frame, as a result of which, the programmes continued to be executed in uncontrolled and open-ended manner without quantitative and qualitative evaluation of delivery.

♦ The controlling Union ministries confined their role to the provision of budget and release of the funds to the state governments rather mechanically without reference to the effective utilisation of the funds released earlier in accordance with the guidelines and capacity of the respective state governments to actually spend the balance from the previous years and releases during the current year.

♦ The ministries were unable to ensure correctness of the data and facts reported by the state governments. Overstatement of the figures of physical and financial performance by the state governments was rampant. No system of accountability for incorrect reporting and verification of reported performance were in vogue.

♦ The Ministry was more concerned with expenditure rather than the attainment of the objectives. Large part of funds were released in the last month of the financial year, which could not be expected to be spent by the respective state governments during that financial year.

♦ The state government's attitude to the execution of the programmes was generally indifferent. They laid emphasis on release of assistance by the ministry rather than ensuring the quality of expenditure and attainment of the objectives. Misuse of the funds provided for vulnerable sectors and sections of the society was rampant. The state governments' attitude towards such misuse was one of unconcern. The controlling Union ministries had no clue to such misuse. Thus, in many cases, the figures of expenditure booked in accounts assumed precedence over the bonafides and propriety of the expenditure.

♦ Nobody could be held responsible for shortfall in performance, poor delivery of output, wanton abuse of the authority to misuse the funds provided for succour to the victims of calamity, economic upliftment of the poor Schedules Tribes, eradication of Malaria, sheltering from the suffering of repeated droughts, etc.'

The CAG made the following observations pertaining to the scheme, Special Central Assistance (SCA) to Tribal Sub Plan:-

'Out of Rs.1809 crore released by the Ministry during 1992-98, the 20 state governments and Union Territory Administrations did not utilise Rs.266 crore. Out of the expenditure figures reported by the state governments, over Rs.370 crore were either retained in various deposit accounts or were misused by them for assistance to ineligible persons, purchase of vehicles and other consumer durables, discretionary expenditure, meeting administrative expenses, helicopter hire charges, construction of buildings and residential houses, reimbursement of loss sustained by the Tribal Development Corporation, etc. Thus, more than Rs.636 crore out of Rs.1809 crore provided by the Union Government, constituting over 35 *per cent* of the total funds were either not utilised at all or were utilised for purposes other than assisting the Scheduled Tribe families.

The misuse and diversion of the funds provided for economic upliftment of the poorest among the Scheduled Tribes by the officers of state governments responsible for execution of the programme call into question the propriety of approval of such expenditure and the accountability of those entrusted with custody and utilisation of public funds, particularly those meant for the vulnerable sections of the society.'

The reasons for poor implementation of centrally sponsored schemes are many, such as:

- There are too many schemes to be monitored. The Department of Agriculture has for instance about 150 centrally sponsored schemes. The number needs to be curtailed drastically so that systems for their effective monitoring can be developed.

- There is unwillingness to accept poor performance, for fear of being questioned by Parliament or adverse press publicity. Hence a vested interest develops up to the top to conceal shortcomings, or not encourage independent evaluation. Since weaknesses are not highlighted, no corrective action is taken to set them right.

- Capacity to do monitoring is limited, and often does not exist. Thus there is neither will nor capability for the task.

- Since schemes are implemented by the states, sensitivity associated with centre-state relations often precludes the centre from asking embarrassing questions. Ministries are hesitant to monitor state sector schemes, although they may have important bearing on the sector with which the central Ministry is concerned.

- Uniformity of schemes all over the country from Mizoram to Kerala, without sufficient delegation to states to change the schemes to suit local conditions, leads to a situation where the states even knowing that the scheme is not doing well become indifferent to its implementation.

- Many schemes assume a highly committed delivery machinery which will act as 'friend, philosopher and guide' of the people. Even if such rare individuals existed in government they do not stay at a particular post for a long time to make lasting impact. These and other governance issues are discussed in the second part of the chapter.

- In addition to effective delivery machinery, successful implementation of development programmes requires appropriate policy framework. Pro-people policies are often not in place.
- States do not release the counterpart funds in time, leading to uncertainty about the availability of funds at the field level. This breeds corruption. States' burgeoning fiscal problems exacerbate this trend, as discussed below.

Fiscal indiscipline in the states

The approved Plan of some of the states is often 50 to 80 per cent higher than the available resources, as seen below:

Name of the state	Approved Plan for 1999-00 in crores	Latest Estimate for resources for 1999-00 in crores
UP	11,400	3,948
West Bengal	5,787	3,696
Rajasthan	4,750	2,157
Bihar	3630	3,169
MP	4,004	3,025
Assam	1,750	1,019

The wide gap between the approved Plan and the resources plays havoc with fund releases for the sectoral schemes, which are often approved on the basis of the approved Plan size, but for which resources are not in sight. A State Secretary described his predicament in the following terms:

'No firm projections are available from the State Finance Department regarding availability of funds. As a result of this uncertainty projects which need advance planning or are completed in several years suffer very adversely. For instance, in forestry advance soil work may be done but there are no funds for raising saplings. If saplings are raised, money is not available for plantation and their protection. Non-availability of funds has also affected implementation of schemes at the district level and in some districts even 30 percent of the provisions have not been available.

Because of non-availability of funds, many procedural problems arise. Even though financial sanctions are issued as per budget provisions in the month of April, money is not released by the Treasury when the bills are presented. Finance Department issues formal/ informal instructions for not honouring the bills even though they may be within the budgetary provisions. There is also a system of issuing of CCL (cash credit limit) which is a major constraint. Release of CCL is controlled by the Finance Department depending on resource position.

Though the Finance Department has issued instructions for giving priority to bills pertaining to Centrally Sponsored Schemes and EAPs but in practice there are lot of delays. In a particular CSS, the money released by the Government of India in 1997-98 could not be released during that year. It was revalidated for 98-99 but was not released again. It has been revalidated in 1999-2000 but released only in 2000-01.

Since money is not made available by the Finance Department, the Administrative Department is not in a position to submit utilization certificates to Government of India failing which further instalments are not released by Government of India. Similar situation prevails regarding Additional Central Assistance sanctioned by Planning Commission.'

The widening gap between outlay and resources weakens the link between physical targets and plan expenditure. Prioritisation of schemes becomes adhoc. This distorts the development process and undermines the sanctity of the plan. Apart from this, it also makes the whole process non-transparent and prone to corruption.

States were requested in February 2000 by the Planning Commission to make a more realistic and even conservative estimate of resources and agree to the concept of a 'core plan'. They were also requested to seek adjustments in case resource availability improved later in the year. It is heartening to note that the states have agreed to this new initiative, and hopefully from 2000-01 onwards plans would be more realistic.

However, many problems remain. Several State Finance Departments have issued a circular stipulating 10 per cent cut in the non-plan budget. However, even 90 per cent of the non-plan budget is not made available. This has led to a situation where bills for POL, TA, Electricity bills etc. are pending for months discouraging officers to undertake journeys. Many times officers are paying for POL from their own pockets which adds to corruption.

Sustainability of projects/programmes on completion is a serious concern. The precarious financial position in many cases prevent the State Governments from taking up even committed liabilities of the project after completion, let alone continuing with the developmental activities initiated during the project period. While this aspect is invariably taken up at the time of approval of the project, there is no other procedural mechanism in place than to rely on the written commitment given by the State Governments. At least at the level of Planning Commission, there are no follow-up action to see whether the commitment is complied to by the State Governments.

For instance, many assets created under JRY, EAS, drinking water and other similar rural infrastructure schemes are not able to serve any useful purpose because of lack of funds for maintenance of existing assets. About 40% of school buildings in Chotanagpur area have no roof. Instead of sanctioning new buildings greater benefit would accrue at less costs if funds are available for their repairs. Permitting Plan funds for maintenance more liberally than allowed at present will in itself improve the utility of such assets.

Faced with the inordinate delays in releasing of money by the Finance Departments in the States, many projects are, in recent times, opting for project specific State level society for receipt of funds directly from the Central government bypassing the State Department. While project authorities have expressed satisfaction on the flow of fund position, a different set of issues have cropped up. It has been noticed that the funds that flow directly to the state level societies are not taken into consideration while calculating the state's share of funds from the Centre thereby under- estimating the actual flow of funds to the State Governments. A viable solution with necessary safeguards is urgently called for.

Too many schemes & lack of convergence

A number of plan schemes are in operation with similar objectives targeting the same population. Generic components like extension, training, IEC get repeated in most of such schemes leading to wastage. For every new scheme, there is a tendency to develop new implementation machinery at the national, state and district levels. There are schemes that are no longer productive, but still continue. All this calls for a lot of consolidation and convergence.

Though a rigorous procedure for introduction of new Centrally Sponsored Scheme (CSS) has been in place, proliferation of CSS could not be kept in check. Following a direction from the NDC, several CSS schemes were sought to be transferred to the states. Planning Commission in Feb. 1999 prepared a list of schemes with an outlay of Rs 3709 crores annually which were proposed to be handed over to the states. But Ministries have been reluctant to fall in line, and so far (July 2000) they have agreed to give up schemes worth only 163 crores and transfer to the states. In the meanwhile several new CSS have been introduced in the last two years.

A number of new CSS get initiated at mid-stream through announcements in annual budgets, at the time of Independence day etc. The scheme ‘Mahila Samridhi Yojna’ which was initiated in the VIII Plan with the objective of enhancing saving habits among women got wounded up last year, due to its unviable administrative cost. Schemes like ‘National Reconstruction Corps’ (1999) and ‘Annapurna’ (1999) which were brought in midway, are duplicating other ongoing schemes, but get introduced as new schemes on non-economic considerations. The other schemes that were approved in this manner include

(i) Integrated Scheme for Raising the Status of the Girl Child (1997-Rs. 6215 Crore)

(ii) Kasturba Gandhi Swatantrata Vidalaya Scheme (1998-Rs. 500 Crore)

(iii) Free Education for Girls upto College level including Professional Colleges (1998-Rs. 663 Crore)

(iv) Deen Dayal Hathkarga Protsahan Yojana (1999-Rs. 196.00 crore)

(v) Credit Guarantee Fund for Small Scale Industries (1999-Rs. 2500.00 crore)

(vi) National Innovation Foundation (1999-Rs. 21.00 crores)

The need for evaluation, both concurrent and post-project, as a part of the project schedule has yet to be recognised. In this respect, Externally Aided Projects are definitely on an advantage since the donor agencies have regular evaluations of the projects. Absence of such a mechanism in case of other national projects makes it difficult to know the progress in various components and mid-term corrections, if any, in physical and financial targets.

In addition to these common issues, a number of sector-specific issues that have come to the notice of Planning Commission are given in the following paragraphs:

Agriculture and Cooperation Sector

The Department of Agriculture and Cooperation has 182 attached/ subordinate/ autonomous offices under it. As many as 7500 people work in these offices, not counting about 30,000 working for the Indian Council of Agricultural Research. This is not withstanding the fact that Agriculture is a state subject. The Department runs 147 schemes with the total 9th Plan outlay of 9228 crores**.**

The major developmental programmes/activities of DAC are for cereals, pulses, oilseeds, commercial crops and horticulture. The Department has split the major components into crop specific schemes and even within a particular crop for various activities thus multiplying the schemes virtually for all the components. In each scheme related to crop, be it cereal crops, oilseeds, pulses or horticulture, there are common components for providing subsidy and loan. There are subsidies on many components such as seed and planting material, production of breeder, foundation and certified seeds and also for distribution apart from transportation subsidy, Front Line and field demonstrations, farmers' training, subsidy on agricultural implements, micro nutrients etc. In case of horticulture, subsidy is provided for nurseries, planting materials, area expansion, workshops, seminars and publicity including irrigation devices. For example, in ICDP rice, subsidy is on all these components and when a scheme is considered for pulses or oil-seeds, the same components figure there also. This results in overlapping of subsidy on different crops under various schemes resulting in a situation where a cluster of farmers in a particular area would avail subsidy on implements, micro nutrient or spinkler sets under more than one scheme**.** Further, for training front line demonstration and field demonstrations expenditure could have been minimised to a large extent if these were organised on cropping systems based approach instead of crop specific approach.

Schemes are being implemented from early 1960s/70s without having any evaluation done to know their shortcomings, impact etc. While doling out money, due consideration is not given to the likely delivery of inputs. For example, a lot of money is invested in revival/modernisation of sugar mills and virtually all the mills after modernisation are in red, their net worth completely eroded. The major problem being faced by sugar mills, i.e. artificially high state administered prices of sugar cane, has not been addressed to. All these have resulted in a situation where the schemes have proliferated with parallel implementation machinery and cost of administering the schemes has increased substantially.

The Ministry has now submitted a proposal for macro management scheme which is reportedly based on area approach rather than crop approach. Yet it has not spelt out how the merging of 34 schemes (28 + 6 being weeded out) would assist states and what will be the activities which will be supported through macro management programme. There is no information on the manpower created for 147 schemes at the Central, State and district levels and how this manpower would be re-deployed after macro management scheme becomes operational. As and when macro management scheme becomes operational, 31 more schemes would become redundant on which Department has yet to take a view. It is high time that the Department carries out a detailed exercise on convergence and weeding out of the existing schemes. Perhaps instead of 147 schemes that are presently in operation, 8 or 9 schemes would be adequate to address the problems in the Agriculture Sector in a focused and cost-effective manner.

While 314 KVKs (Krishi Vigyan Kendras) have been established, there is very little reference in the schemes of DAC for their use in extension services. Presumably they are working in parallel. Instead of running parallel extension services by ICAR and DAC there is a need to decide which agency should do extension services. Similarly, subsidy should not be given for crops or activities that are commercially viable. While all sorts of supports are being provided for seeds, the total contribution is not much as less than 10% of the total requirement of seeds is met through seed producing agencies and 90% is met by the farmers/private sector enterprises. While one can justify subsidy for propagation of new technology including varieties, production of breeder and foundation seeds their multiplication and distribution should be left to market forces. State Agricultural Universities have surplus land which could be profitably utilised by these universities for production of foundation/certified seeds on a commercial basis. Similarly, the Seed Corporation and State Seed Corporations should be made viable on commercial lines. Another area of concern is that huge budgetary support is being provided to National Cooperative Development Corporation every year. Planning Commission suggested that NCDC should work on the lines of financial institutions and the outstanding Govt. loans could be converted into equity to enable NCDC to leverage the money and do the funding of the cooperative sector units on a much larger scale without recourse to budgetary support. Response from the Department is still awaited.

Lack of convergence in other social sectors

Absence of convergence of delivery mechanism and the resulting duplication of efforts could be seen in many schemes initiated by various Ministries. For instance, Ministry of Social Justice & Empowerment had formulated a Centrally Sponsored Scheme of National Programme for Rehabilitation of Persons with Disability (NPRPD) in 1997. The scheme involves appointment of 32,000 Community Based Rehabilitation Workers and 3,200 Multi-purpose Rehabilitation Workers, apart from creating 160 district Rehabilitation Centres and Apex Institutions at the State and national level. The objectives of rehabilitation are also met under different schemes of Ministry of Health & Family Welfare, Ministry of Social Justice & Empowerment (National Institutes for different disabilities like, Orthopaedically handicapped, visually handicapped, mentally handicapped, etc.), Ministry of Human Resources Development, Ministry of Labour and Ministry of Rural Development, etc.

Similarly, another scheme ‘Kasturba Gandhi Swatantrata Vidyalaya Scheme’ (KGSV) was formulated by the Ministry for improving literacy among women in backward communities. The scheme aimed at establishing 500 residential schools in such districts where women literacy was found to be less than 10 % as per 1991 Census. Ministry of Social Justice & Empowerment itself is implementing other schemes for backward communities, like, Residential Schools for SC Girls, Residential Schools for ST Girls, Educational Complexes in low literacy pockets for Development of Women Literacy, Ashram Schools in Tribal Areas , Hostel facilities for SC/ST Girls, etc. aimed at basically improving the women literacy in backward areas. Department of Women & Child Development is operating a scheme for raising the status of girl child by providing incentives for education throughout the country. Apart from these, Department of Education is operating externally aided and domestic projects like, DPEP, Shikshakarmi, Lokjumbish, Mahila Samakhya, Operation Blackboard, Non-Formal Education, etc. aimed at improving the basic literacy throughout the country.

There are a number of programmes in implementation aimed at improving the economic and social status of women, spread across various Central Departments like Departments of Women & Child Development, Rural Development, Agriculture, Education, Health & Family Welfare and Labour. At the beginning of the IX Plan, there were about 17 independent schemes under implementation through the

Department of Women & Child Development all aimed at development of Women. These include:

(i) Hostels for Working Women

(ii) Setting up of Employment & Income Generating Training for Women (NORAD)

(iii) Support to Training-Cum-Employment Programme (STEP)

(iv) Short Stay Homes

(v) Education Work for Prevention of Atrocities against women

(vi) Rural Women's Development & Empowerment Project

(vii) National Resource Centre for Women

(viii) National Crèche Fund for Women

(ix) Strengthening of WCD Bureaus

(x) Mahila Samriddhi Yojana

(xi) Integrated Women Empowerment Project

(xii) Condensed Courses of Education & Vocational Training

(xiii) Socio-Economic Programme

(xiv) Awareness Generation Projects

(xv) Organisational Assistance to Voluntary Organisations

(xvi) GIA to Voluntary Organisations in the field of Women & Child Development

(xvii) Indira Mahila Yojana

One major initiative viz. Mahila Samridhi Yojana got wounded up in 1999-2000 due to unviable operational costs. The recast "Indira Mahila Yojana (IMY) [1999]" envisages to evolve a holistic approach to tackling womens' problems through creating an organisational base in all parts of the country for women to come together through Group Mechanism. The Department did attempt to converge a number of its schemes (*seven in number*) with IMY. Mahila Samridhi Yojana, Setting up Employment & Income Generation for women (NORAD), Support to Training-Cum-Employment Programme (STEP), Awareness Generation Project, Rashtriya Mahila Kosh (RMK), Organisational Assistance to Voluntary Organisations & Education work for prevention of Atrocities Against Women stand merged with IMY. An issue, however, which could not be crystallised, at the time of approval of the scheme is an approach towards linkage with similar schemes in other Ministries. DWCRA of Department of Rural Development *(now merged with Swaran Jayanti Swa Rozgar Yojana*) have components for Group formation and income generation. Presently, there are about 2.67 lakh groups under this scheme covering 3.5 million target population. In addition, all the components of Swaran Jayanti Swa Rozgar Yojana of Department of Rural Development have sub components on womens' Development. These include IRDP, TRYSEM and Development of women and children in Rural areas. Under Jawahar Gram Samridhi Yojana about 30% of employment opportunities are reserved for women and under Indira Awas Yojana housing priority is given to unmarried women and widows. The RCH programme of Department Health & Family Welfare has a comprehensive 'Information Education And Communication

(IEC)' programme. Since any programme on women Development will be having an IEC component, there is immense potential for one Group working on awareness generation incorporating all aspects of womens' problems in a unit, be it a block or a district. Since imparting of literacy should go hand in hand with other developmental programmes, implementation of the Adult Education Programmes of Department of Education should be ideally coordinated with the activities of the Self Help Groups (SHGs). In this context, the need for coordination between SHGs and the wide network of vocational training Institutes for women under the Ministry of labour cannot be overlooked. The National Vocational Training Institute, Noida (UP) and 10 Regional Vocational Training Institutes for women in different parts of the country and about 400 ITIs including ITI wings for women impart training to women with self employment/employment potential. SHGs can be used as a centre for disseminating information on the availability of courses in these training Institutes to the women in the area. The Ministry of Labour is also implementing a scheme on Grants-in-aid to Voluntary Orgainsations for helping women workers to become aware of their rights and opportunities and also become economically independent.

There are also small localised schemes being taken up in different sectors. Department of Education is implementing Mahila Samakhya Yojana, aimed at empowering women through education with a total outlay (IX Plan) of 35 crore. A scheme on 'Women in Agriculture' is being implemented by Department of Agriculture which aims at organising/identifying farm women groups for channelising all the agricultural support services to make them 'Self Help Viable Units'. The scheme is being taken up as a pilot basis in one district each in seven states.

One common feature all these disparate schemes is creation of SHGs. Possibilities of having different SHGs in one block/district dealing with different programmes without much interaction with each other cannot be ruled out. An ideal approach would be to have a district/block women Plan which would identify the total needs of women in that particular block and consequent demand to be met through pooling of resources of various Departments. The success of this approach would depend on inter departmental co-ordination which may be difficult to come through, going by past experiences.

Schemes for the Aged

There are three major schemes which are under operation at the GOI level aimed at support and care to old persons which would cover indigent senior citizens who have no income of their own. The National Old Age Pension Scheme (NOAPS) was launched in 1995, provide pensions @ Rs. 75 per month to 53.35 lakh destitutes aged 65 and above. In 1999, Department of Rural Development, which is the Administrative Ministry for NOAPS initiated another scheme called '
aimed at persons above 65 who though eligible for old age pensions remained unreached under NOAPS. However, as different from the income route to security as followed in the case of NOAPS, Annapurna aims at food security through providing 10 Kgs of food grains per month free of cost to the targeted population. The identification criteria remain the same. While the scheme got approved, chances of the scheme becoming a non-starter at the field cannot be ruled out. The prospect of transporting 10 Kilo of food grain every month for beneficiaries in a panchayat, who may number at the most 4 or 5, may turn out to be unviable with the end result that food grains will not reach the beneficiary every month. Also since a number of Gram Panchayats have a very poor system of Fair Price Shops (FPS), to make the success of

the scheme depend on these ill functioning FPS may not be result-oriented. Chances of the local FCI or the State Food Corporation trying to dump on to the poor bad quality foodgrain cannot be ruled out. An ideal option would have been to increase the beneficiaries under NOAPS by 20%, rather than initiate a new scheme. A merger with NOAPS may be the only solution if Annapurna fails to take off.

The Ministry of Social Justice and Empowerment is implementing an Integrated Programme for Older Persons' by giving assistance to voluntary organisations for setting up and continuance of Old Age Homes, Day Care Centres, Mobile Medicare Units etc. for the benefit of Aged. The scheme which was revised in 1999 has provisions for Self Help Groups, Associations of Older Persons, Health Care, Housing and Income Security needs etc. Since the scheme is kept unstructured, with the NGOs given the flexibility to take up the above activities as relevant to the situation, it is not clearly stated how requirements like income security needs are going to be met through the scheme. Also the health care needs of the targeted persons should be met from the primary/secondary health care structure provided by the respective State health system.

A large number of national programmes are in operation in health Sector pertaining to communicable diseases such as Malaria, Leprosy, T. B; those focusing on maternal and child health such as Reproductive and Child Health Programme (RCH), India Population Projects (IPP); and others dealing with public health problems such as HIV/AIDS, polio eradication, blindness control etc. Besides these programmes, many states are implementing Externally Aided Projects touching upon the same diseases and same areas. The issues which crop up in discussions for which assurances are given in the meetings, however, incapable of any further monitoring regarding compliance are manifold.

A major problem relates to the distribution of external assistance among different areas affected by the disease. Instead of viewing the problem in a holistic manner i.e. pooling the resources from different sources, dovetailing it into the National programme and distributing among various states as per the incidence of disease burden, the approach has been one of ad-hocism. Those states who could tie up projects with the donor agencies, in which donor agencies usually have a greater say, are given permission leading to inequitous distribution of external assistance and its benefits. Apart from above, each externally aided programme insists on its own institutional arrangements by way of structure of implementing agency, monitoring and decision making arrangements, parameters of expenditure for different components etc. The problem of overlapping/duplication has been raised in respect of expenditure on equipments, consumables, training, Information, Education and Communication (IEC), drug supply also. Further, while undertaking various activities for delivery services with liberal financing received from donor agencies, the long term issue of sustaining these activities once the external funding ceases to be available is not given the required attention. While State Governments do give a written commitment to the Administrative Ministry to the effect that the liabilities will be taken care of after the cessation of the project, this aspect is not followed up for its compliance.

There is a great deal of enthusiasm in Ministries / State Governments to attract international assistance for specific programmes / projects and in the eagerness to ensure that assistance materializes, various conditionalities imposed by Donor agencies are agreed to at various levels. It has been observed that these projects provide for norms of expenditure in identified activities which are far more liberal than those provided for in the national scheme or which are otherwise in vogue in the state of operation. This leads to a great deal of dissonance in overall programme and has an adverse effect on the quality of implementation in the areas not covered by such projects. These projects also usually provide for a lavish super structure of supervision and control in addition to what is already available in the implementing state for the rest of the programme. It is felt that the expenditure on this account which involves perks of additional posts, consultants, contract staff and other establishment expenses etc. does not lead to accrual of benefits commensurate with the expenditure incurred, is considerably wasteful and is substantially avoidable.

Another trend in the recent past has been that states initially negotiate the proposals and at a later stage the proposals get transferred to the Central Ministry. At that stage its inclusion in the Plan becomes at the cost of other national programmes of the Ministry. Even if it is taken in the state sector, commitments of meeting the counter part funding fail to get honoured at a later stage and Centre was to be looked upon to provide additional assistance to meet the counter part funding. When proposals are received in Planning Commission at a late stage, lack of time leaves hardly any room for modifications except at the risk of delaying the whole project. At that stage, it becomes difficult to dovetail the project with required modifications into the overall sectoral priorities and the national programmes and also ensure sustainability of the programmes after the completion of the foreign assistance.

There have also been instances of State Governments directly approaching international bodies for funding projects without routing the proposal through the concerned Ministry / Planning Commission. Planning Commission's interventions even in respect of state sector projects is essential to ensure forward and backward linkages with existing programmes and infrastructure. There are also other major issues like proposed area of operation, norms of expenditure in identified activities, super structure of supervision, development of parallel structures of implementation which had to be looked into in an impartial way which the Commission is in a position to do and which the concerned state governments are likely to over looked in their enthusiasm to tie up with the Donar agencies.

In the Education Sector the main issue has been existence of a number of disparate schemes with overlapping objectives working towards Universalisation Of Elementary Education. The strategy of Sarva Shiksha Abhiyan with the objective of combining all these disparate schemes into one composite scheme can initiate convergence and holistic approach in dealing with the problems of the sector. However, the proposal is still at a conceptual level and calls for lots of work to evolve it into one single holistic scheme for elementary education. The externally aided project of 'District Primary Education Programme" is presently being implemented in about 176 districts of 15 states and there are vertical structures of implementation in operation exclusively for these projects. Since the Agreement signed by Government of India with the donor agencies will continue to be in force, which includes implementation/monitoring structures also, how far the convergence envisaged to be achieved through the new strategy will be practicable is still doubtful. Even in the domestic programmes being taken up by Government of India and state governments, a large number of organisational/administrative structures at the state/district level are in existence. The requirement of providing for flexibility in respect of various components, presumably to take care of the diversities across areas/districts may limit the scope for mergers and savings in these components. Much will depend on how successfully the Department of Elementary Education and Literacy would be able to work out state specific strategy for convergence in consultation with each state.

Pro-people policies

Government has been implementing several programmes for eradication of poverty in India. While the objectives of these programmes may be commendable, they are based on a belief that spending of money is in itself a necessary and sufficient condition for poverty alleviation. This belief under-plays the role of non-monetary policies and the impact they have on the lives of the people. It has been the experience of many grassroot workers that availability of funds is no penacea for tackling the problem of poverty, unless accompanied by a pro-poor policy framework. Many examples of anti-poor laws and policies are discussed in the chapters on SCs/STs, forestry and decentralisation. The examples discussed there show that a large number of policies and rules act against the interests of the poor.

It is rather sad that Ministries are more concerned with schemes and controlling budgets (and with setting up of new institutions that create opportunities for promotion of bureaucracy and for distribution of patronage for others), and less with policies. This belief under-plays the role of non-monetary policies and the impact they have on the lives of the people. Often certain government policies harm the poor much more than any benefit that accrues to them through money-oriented schemes. What is being given from one hand through spending money, much more than that is perhaps being snatched away from the poor by the other hand. through existing anti-people policies.

Policies and budgetary provisions, despite the rhetoric, have not been integrated so far. They sometimes run on parallel tracks. One lesser known reason for this isolation is that development and planning in India are associated with spending of money. That Planning = Expenditure = Development is the mindset behind such beliefs. Changes in policy or laws, are not seen as an integral part of the development process because these have no direct financial implications. The Indian planner unfortunately has still to understand the difference between planning and budgeting.

CAG's view point on State Plans

In a recent official communication dated September 4, 1998 addressed to the Deputy Chairman, Planning Commission, the Comptroller and Auditor General of India has come to the conclusion that public investment has no longer the ability to remain the engine of growth because of total lack of discipline in the states. He has also hinted that there should be drastic reduction in the amount of central assistance to the states. Since these are very serious observations, these cannot be simply brushed aside. His findings are quoted below:

1. Approved State Plans and Revised States Plans were far too ambitious. In the event, the actual expenditures were well below the revised plans.
2. State contribution to resources for financing the State Plans in most cases was modest/ negligible. The plans were largely financed by Central Assistance, Market

borrowings plus resources transferred for Central Sector Schemes and Centrally Sponsored Schemes.

3. Some states financed more than 100% expenditure from Government of India funds and diverted substantial amounts to Non-Plan Expenditure. One State built a cash balance (held as Treasury bills) of Rs.1100 crores at the end of the Plan period, producing the rather piquant situation of Government of India borrowing funds from RBI, giving it to the State, which in turn provided funds to RBI to invest Government of India Treasury bills.
4. There has been considerable diversion of funds from Centrally Sponsored Schemes and Central Sector Schemes. States' contribution to Centrally Sponsored Schemes has been negligible.
5. The size of the Plan was beyond the States' capacity to implement. Our reports contain enough material on systematic transfer of funds from the Consolidated Fund to the Public Account because expenditure rates were much slower than transfer of resources.
6. These transfers have occurred in the main with regard to Social Sector. There is enough evidence in the State Reports of transfer of funds to Public Account, Savings and, in many cases, diversion of funds to other sectors. In other words, outlays on Social Sector were beyond the implementation capacity of the State governments.
7. Given the difficult situation of Union finances, the large fiscal deficit and the considerable inflationary pressures **it is a moot point whether the present policy of generous transfers to the States should continue**.
8. **Public Investment no longer has the ability to remain the engine of growth**. Pay Commission obligation is virtually the last straw.
9. As the country moves towards the next Plan and the Commission undertakes exercises to prepare the Plan some of these issues would require consideration before **adopting the age old approach of the bigger the better**.

Although we have quoted from the CAG's letter in detail, it may be stressed that the Planning Commission does not share his pessimism or his recommendation to reduce central assistance. The situation though grave is not without redemption. As opposed to cutting down on central help to the states, it requires increasing assistance, though linked to specific projects and policies. The Planning Commission would also resist the tendency of central Ministries to control expenditure on social sector by proliferating centrally sponsored schemes, as these subjects are in the state domain, and most funds on these programmes must be a part of the state plans. However, the Planning Commission would like to improve the effectiveness of public expenditure in these sectors by better monitoring and impact studies, so that approved policies are not lost sight of. The states would gain in fiscal respectability if they adopt the agreed measures, but there must also be a system of strong disincentive of losing out on central assistance if the unpopular measures of increasing user charges or improving governance are not put in place.

The extent of adjustment required on the part of states should not be under-estimated. In order to wipe out the revenue deficit and achieve a revenue surplus of 25%, say in five years, some very tough decisions will have to be taken, such as freeze on new hiring, creating new jobs of primary school teachers only at the panchayat level, restructuring of power sector, increasing user charges at various levels, liquidation or privatisation of several public enterprises, tax reforms, and above all better governance. The adjustment process would be painful, but not adjusting will be more so. Without structural reform, per capita growth will stagnate and may turn negative (as it has already turned in Bihar), state finances will border on insolvency and thus not be able to attract private investment, and employment will fall and crime would increase. With a wide ranging reform programme, states will not only improve the quality of public services, stabilise its debt, but significantly raise per capita growth rate and make a dent on poverty and quality of life of the population.

However, this is not going to be a painless process. Informal discussions with the states have led us to believe that unpopular measures such as increasing user charges for power and water will not be taken by the states on their own unless a superordinate body monitors and helps the states in such an endeavour coupled with a threat of withdrawing assistance in case of default on agreed programmes. In the absence of such reforms however unpalatable they may be, it is feared that states would soon be heading towards financial ruin and anarchy. Such reforms have been accepted several times in the past but such resolutions have remained mere rhetoric because there were no immediate disincentives associated with inaction.

Good governance

Development is an outcome of efficient institutions rather than the other way around. "Good Governance" has therefore entered the development lexicon, even though how to achieve good governance remains debatable. There cannot be two opinions that the quality of governance must be improved. Focus must be shifted from maximising the quantity of development funding to maximising of development outcomes and effectiveness of public service delivery. This will help in improving the perception of investors and donor agencies about the investment climate in the States. It will also contribute to increasing the revenue collecting ability of States.

An effective and responsive district level field machinery should have a high degree of commitment, motivation, professional competence, adequate knowledge of their job and, above all, integrity. Stated objectives should be internalised and widely shared by the members of bureaucracy starting from Collector down to the village level worker. There has to be strong and consistent flow of energy from all concerned for meeting these objectives. Discipline needs to be combined with a high degree of innovation. Hard work should lead to output and output should lead to reward. Does the Civil Service and the development machinery conform to these standards?

The present picture

In many states people perceive bureaucracy as wooden, disinterested in public welfare, and corrupt. This perception of the collapse of ethical standards has a number of implications for fiscal discipline. States' reluctance to hit at the entrenched government servants, take action against the corrupt ones, or reduce their numbers or make changes in their service conditions to their disadvantage further confirms the belief of the people that state apparatus exists only for government servants. The problems of security, the culture of harassment, long delays, administrative secrecy, and the seeming inability to check organised power theft - all discourage formal sector, large scale, law-abiding tax paying units from investing in some states. But it is the growth of the latter upon which prospects for future productivity, growth and higher wage jobs will largely depend. These states will be neither able to end the fiscal crisis nor to restore growth unless they are able to address problems of governance. Whether the issue is tax compliance or the environment for the private sector or the state's physical and social infrastructure, progress will be impossible without a significant redirection and improvement in the way these states run their administration. Unless massive efforts are undertaken to improve governance and make the administrative apparatus perform for what it is paid, public may not take very kindly to withdrawal or reduction of subsidies.

We would like to quote here from the address of the Prime Minister to the National Development Council meeting held on Feb. 19, 1999:-

People often perceive the bureaucracy as an agent of exploitation rather than a provider of service. Corruption has become a low risk and high reward activity. Frequent and arbitrary transfers combined with limited tenures, are harming the work ethic and lowering the morale of honest officers. While expecting discipline and diligence from the administration, the political executive should self-critically review its own performance. Unless we do this, we cannot regain credibility in the eyes of the people who have elected us to serve them.

A World Bank study of villages in UP and Bihar revealed that health problems emerged as one of the most common causes of persistent poverty. Illness of the breadwinner or other members of the family not only reduced their daily incomes but led them to indebtedness and even loss of assets as treatment from government services was just not available.
Nearly all the informants said that transport costs to government centres was too high when outcomes were so uncertain. **Medical staff assigned to PHC centres are usually absent, and therefore a trip to the centre results in waste of transport money. Quality of care was not mentioned as an issue; if care is generally unavailable, its quality is hardly relevant.** Even when PHC staff is on site, they give only prescription as they do not have medicine on hand. Poor patients then must visit the market and incur a second transport expense.

A similar study of the schools showed that in most places either teachers were absent, or teaching was being conducted by proxy teachers who were hired by the regular teachers on very low wages.

A note circulated by the Department of Administrative Reforms and Public Grievances vide its letter No. K-11022/23/96-P dated 6th November 1996 observed -

"The public administration and the civil services at all levels are passing through difficult times in terms of eroded credibility and effectiveness of the civil service, growing public perception of an unholy nexus between certain elements among politicians and civil servants and criminals and increasing criticism of the low level of honesty, transparency and accessibility to the political and bureaucratic elements in-charge of administration.

The present lack of transparency and the scope for manipulation of the system results in the criterion of merit being undermined by considerations of personal loyalty and complicity with unethical dealings. The absence of a well-defined structure for rewards and punishments, and the confusion regarding the desirable service norms for civil service has led to low morale and pursuit of career advancement at the expense of ethical values."

A young IAS officer from Bihar has described the predicament of honest officers in the following terms:-

"As Project Director I was handling RD funds and it was often a problem to release money to the Blocks and Panchayats. This was so because the BDO or the Mukhia would immediately take up 'n' number of schemes and distribute the total money as advance to either his own relatives who act as agents or Abhikartas (Junior Engineers) in JRY schemes or the muscle men or petty contractors of the local MLA. If any action is proposed against the BDO or the Mukhia a report has to be sent to the Minister who often does not take any action. This further emboldens the BDO while the Collector/ PD gets demoralised. Upright officers have been systemetically marginalised by the indulgent political masters who expect a committed bureaucracy. Committed officers enjoy outstanding CRs and foreign training, while upright officers are sidelined in Rajbhasha, Protocol etc. When they apply for GOI deputation, all kinds of hinderances are created. This is done to break the upright officer and make him submissive and more committed."

As already stated, almost the entire social sector Programme is implemented by State level field machinery and, therefore, we should be vitally concerned with falling standards of performance and integrity among the field officials, especially at the level of district Collector and Project Director. Honesty at the level of village and taluk level functionaries even during the colonial period was as rare then as it is now. The British appeared to believe that as long as the man at the top was honest, corruption at lower levels would not really do much damage. As corruption is on the increase even in higher echelons of bureaucracy, the fear in the minds of lower level officials against making money has disappeared, and corruption at all levels, as the Prime Minister put it, has become a ‘low risk and high reward’ activity. Even when the senior officer is not corrupt, he does not put his heart in the job as he has no faith in the stability of his tenure or in getting support from the top for innovative ideas. There is a feeling among civil servants in some states that honesty, impartiality, and concern for public welfare are no longer being demanded of them by the elected representatives.

The collapse of ethical standards has a number of implications for fiscal discipline. In such a scenario of low institutional capability and poor performance of civil servants it is unfair to expect that the political processes would be totally free from populism. Politics is after all 'art of the possible', and if the civil service is no longer able to ensure good governance, politicians are forced to resort to populism in order to reach at least some benefits to the people to keep the faith of the voter alive in the political system. Subsidies on water, power and transport help in maintaining the credibility of the democratic system, since the voter does not seem to be getting any other benefit through the vast and ever growing bureaucratic machinery. A civil service renewal programme which improves public satisfaction therefore has to be an essential component of effective implementation of development programmes.

Some of the operational decisions that need to be taken are described below.

a. Stability of tenure

A malaise afflicting the civil service generally is the instability of tenures, leading not only to a lack of sense of involvement but also to the inability to contribute effectively to amelioration of the system. According to a study done by the DOPT, the average tenure of 82 non-technical Secretaries to GOI was less than a year, and only 6 such Secretaries were on their jobs for more than two years in July 2000. In a north Indian state, the average tenure of an IAS officer between 1993 and 1998 was said to be as low as six months. In the IPS it was even lower, leading to a wisecrack that 'if we are posted for weeks (Haftas) all we can do is to collect our weekly bribes (Haftas). Transfers have been used as instruments of reward and punishment, there is no transparency, and in the public mind transfer after a short stay is categorised as a stigma.

Frequent transfers and limited tenures are playing havoc with public organisations. With every quick change in the head of the office, a funereal air is noticeable and down the line the respect for authority is whittled away. Rapid changes erode the mandate of the Department or Organisation. It leads to lack of confidence to act firmly and equitably for the public good. There are two other consequences. Since the incumbent himself is not sure of how long he will stay it affects his attention to detail, the capacity to master the situation and begin thinking, even incrementally, about how to change things and improve them. Since he is not too sure of what has to be done, the preference is to opt for whatever was tried out in the past and seemed to have sufficed. In the process, changes which may have been initiated by the predecessor are either disregarded or thought of as being disruptionist. Most public organisations do not possess the 'memory' which will absorb change and continue it even under adverse circumstances. Second, there are even more deleterious consequences down the line. Other staff in the organisation do not extend the commitment so necessary for change to be institutionalised. Their assessment is that everything new being temporary administrative improvement and practice, different from the ordinary way of doing things, represent the foibles or prejudices (at worst) of the incumbent, to be sent packing immediately on the departure of the officer. An attenuated hierarchy, which distorts intent and initiative, further impels the status quo.

It is in this context that it is crucial and critical to remove uncertainty and imbue the officers with a certain security of tenure in every post, barring cases of promotion.

To begin with, the Planning Commission should calculate for each state the average tenure of collectors, SPs, Project Officers., and other such category of officers mutually identified. There should be adequate publicity about who can transfer officials at various levels in government. This power should not be exercised by an authority higher than the appointing or punishing authority. This will ensure that government does not meddle with the transfers of low level officials.

Stability index should be calculated for the above posts, and a norm of at least two years be fixed, so that although government would be free to transfer an officer before two years without calling for his explanation, the average must be maintained above two years. This would mean that for every short tenure some one else must have a sufficiently long tenure to maintain the average. Just as every government order carrying financial implications has to quote the authority of the Finance Department, every transfer order must indicate in arithmetical terms how the average has been affected by the transfer in question. States where this average is less than two years will be given two years of time to bring it above two years.

At least for higher ranks of the civil services e.g. Chief Secretaries, Secretaries of Government and DGPs, postings may be made contractual for a fixed period, and suitable systems may be evolved to ensure that they are rarely removed before the period of the contract without their consent or explanation.

The Transfer Allowance of each department may be so fixed that no transferring authority can transfer more than one-third of that cadre in a year.

It is not correct to assume that there would be political resistance to the idea of stability of tenure. Many Chief Ministers would welcome this proposal, as they are often pressurised by their political circumstances to resort to frequent transfers, and with a change in law, they would be able to resist the pressure in a better manner. It may also be mentioned here that many transfers are initiated at the request of the officer himself, and this tendency will also get curbed with new norms.

b. Transparency and corruption

Most manipulations succeed because of the environment of secrecy which pervades government functioning. There is no early check because decisions are taken behind closed doors. The sharing of information and making the entire system more transparent would certainly reduce the danger of the system being hijacked by crooks. Transparency builds external demand for reform and makes administration more responsive and performance oriented. GOI and the states should therefore pass a Right to Information Act. If the right of the ordinary citizen to information is recognised, it will dramatically increase the strength of the citizen to understand and challenge corruption and the arbitrary exercise of state power. It should be the duty of each officer to pro-actively attempt to increase the power of the citizen in his or her relation with the state, through building in transparency into all official procedures and systems, and suo-motu making available all relevant information to the people. In the context of development workers, for instance, this would mean enforcing the rule that all muster rolls and bills are regularly read out and explained to the people in gram sabhas.

To do this, no radical change in official rules is required. On the contrary, existing rules already provide for such sharing of vital relevant information with the public and gram Sabhas. However, such rules are mostly observed in the breach, because it suits those exercising state power to sustain or even enhance the capacity of its functioning to enable its arbitrary malafide, nepotistic and corrupt exercise of power. It is therefore necessary that the state government should issue clear guidelines on the subject.

Nothing would send a stronger and more positive signal to the private sector than the announcement and implementation by government of a comprehensive anti-corruption strategy, which should include:

- Immediate compulsory retirement of those whose record and reputation is tainted
- Strengthening of powers of the state Vigilance Departments, Lok Ayukt and the Anti-Corruption branch of the state police enabling them to effectively initiate and pursue investigations independently of government direction
- Immediate prosecution of officials against whom there is evidence of corruption
- Guaranteed protection of civil servants who expose corrupt practices

- Passing a law which would make all oral orders regarding transfer and other administrative matters illegal which interfere with delegated powers

In particular, property and tax returns of all senior officers should be available for scrutiny by the public. These could be put on a 'home page' of the government on the internet, so that anyone having access to internet could access such information and get in touch with government if the stated facts are contrary to his knowledge.

In addition, each state should be asked to pass the Corrupt Public Servants (Forfeiture of Property) Act, already drafted by the Law Commission. This will ensure that the illegally wealth of the corrupt is confiscated and is not enjoyed by them. There is already a law called The Benami Transaction Prohibition Act 1988. Under this Act benami properties can be confiscated. The states will be asked to frame rules and procedure for this law. The number of cases prosecuted under this law should be monitored.

The next area of reform relates to post- retirement bonanzas. The Fifth Pay Commission while recommending the age of superannuation as 60 years, suggested the complete abolition of the provision of extension in the service rules. The State and Central Governments as well as PSUs should implement this particular recommendation and also avoid post retirement jobs to the civil servants as also the judiciary. If the talent of any particular individual needs to be used even after his retirement, it can be on a short term consultancy basis to meet a specific time bound requirement at the end of which the contract should be terminated. In any case no officer above the age of 60 should get government housing. By throwing open the jobs in the organisations like Administrative Tribunals, Commissions of Inquiry, Pay Commission, Vigilance Commission and the other regulatory authorities etc. to the serving civil servants as against the retired, the prevalent congestion at the top levels of the civil service can also be substantially reduced.

c. Reduction in size

With the changing role of government the size and scale of the civil services no longer relate to the nature of functions that government can or should undertake. One should identify surplus staff, set up an effective redeployment plan, and a liberal system for exit. For the time being recruitment should only take place for functional posts, and vacant posts of secretarial and clerical posts should not be allowed to be filled. One should study China, which in a span of three years reduced its bureaucracy by 25%.

The Administrative Reforms Commission headed by Morarji Desai had recommended the abolition of clerical positions in the secretariat, by merging the field deptts. with the secretariat deptts. at appropriate levels and by following the pattern prescribed in the army for decision making through the single file system. This can be done even now, as this will result in substantial reduction especially in the category of group ‘C’ employees. Reduction in the fleet of government vehicles and closing down of unnecessary units, can also lead to significant reductions in the number of lower level employees in Govt. Reducing the number of general holidays, as recommended by the Fifth Pay Commission can lead to better utilisation of the existing staff.

Steps need to be taken to drastically reduce the number of meaningless posts in each cadre. Some specific suggestions are:

- The already existing provision of reviewing the work of those above 50 years and retire them if not found suitable should be stringently followed.

- Encourage officers to join voluntary organisations of repute, educational and research institutes during mid-career. For new recruits to government service it should be a compulsory condition in their rules of recruitment that they would be asked to take leave without pay for 5 years at a stretch after they have put in 10 years of service.

- Those government servants who have only 4 years left for retrirement should be given a choice of taking retirement on full salary or retain the government house for the remaining period of their service, provided their post is abolished. This will be the cheapest means of introducing VRS in government.

- GOI must take a lead in reducing its staff, especially in Ministries dealing with state subjects, and transfer most of the CSS to the states. In the Ministries, there should be control on initial recruitment and most vacancies caused by retirement should remain unfilled and the posts abolished.

d. Professionalism

All talk of excellent or brilliant performance is meaningless unless a bottom line of minimum acceptable standard of performance is stipulated. This has to be at two levels viz. organisational and individual. It is imperative that each Ministry/ Department of the state government and all departments and agencies under the district administration, have a well defined and spelt out criteria by which performance of their functionaries can be evaluated. Non-adherence to this should entail adequate compensation to people and punishment to government servants for non-delivery of promised service. In consonance with the organisational performance standards, each individual's performance standard needs to be spelt out. Such a measure will perforce compel imbibing of professionalism and performance norms will shift from platitudes and aspirations to concrete output.

e. Effective implementation of development programmes

The implementation of the development programmes by the State Governments must be more effective. Close monitoring can be organised in selected areas such as implementation of schemes relating to primary health, primary education, watershed development, empowerment of the local people to discharge their responsibilities effectively at the local level, as evidenced by the implementation of poverty alleviation programmes etc. The monitoring can be on the basis of questionnaire designed by selected public institutions in consultation with the Planning Commission.

Through a process of stratified random sampling five to ten villages can be identified in every state for impact studies and obtaining progress report in these sectors. This work can be given either to the academic institutes or consultants approved by the Planning Commission or to the Programme Evaluation Unit wherever possible. The allocation of additional funds to the States can be made in such a manner that the States which perform better get a corresponding weightage over the States which do not implement these programmes effectively.

f. Accountability to the people

At present the system of government is such that it is difficult for an average citizen to have access to information about schemes and programmes that affect him, and even about his rights and records. The complicated procedures not only distance government from the very people that are sought to be provided with services but also create possible sources of corruption. Therefore the stress needs to be on developing computer based information systems so that discretion and delay can be reduced. For instance, why can't in the revenue tahsils we instal a computer where you insert a ten rupee note and get land ownership record of the entire village? Each department should develop citizen’s charter establishing clearly enforceable norms.

Departments such as the Police and Revenue, which have more dealings with the people, should be assessed once in three years by an independent professional organisation, consisting of journalists, retired judges or members of the armed forces, academicians, activists, NGOs, and even retired government servants. These should look at their policies and performance, and suggest constructive steps for their improvement. At present the systems of inspection are elaborate but often preclude the possibility of a 'fresh look' as they are totally governmental and rigid. The system should be made more open so that the civil service can gain from the expertise of outsiders in the mode of donor agency evaluations of projects and there is a feeling of greater accountability. The teams should consist, in addition to government servants, of development practitioners from other fields, independent social research institutes, academicians and even members of the public. The teams would undertake surveys of quality of service delivery in key areas, scrutinise policies programmes and delivery mechanisms. Civil servant’s views on work constraints and reporting fraud and corruption should be elicited. The reviews conducted should also form the basis of time bound changes and improvements which should be monitored.

Action against corrupt officers cannot be initiated in many states as the power to sanction prosecution is vested in state governments. This should be declared a semi-judicial process, and the powers to sanction prosecution should be vested with a designated authority, who should pass a speaking order on receipt of complaint from CBI or other agencies.

g. Improving quality of life through greater attention to environment

In the last thirty years however there is enough empirical evidence to establish that environmental conservation must go hand in hand with economic development because any economic development which destroys the environment will create more poverty, unemployment and diseases and thus cannot be called even economic development. It may just be transfer of resources from the poor to the rich. This is because the poor depend on nature for their daily survival – for them the Gross Nature Product is more important than the Gross National Product. Environmentally destructive economic development will impoverish the poor even further and destroy their livelihood resource base. In the absence of clean air and clean water not only is the productivity of the poor going down but their expenses on medical care is shooting up resulting in their further misery. Denuded hills and barren pastures have resulted in falling groundwater levels, reduced availability of organic manure, and loss of soil and moisture for crops, thus affecting the productivity of rainfed agriculture and income through cattle. Therefore the environmental concern in India must go “beyond pretty trees and tigers” and must link it with peoples’ lives and concerns.

Investment in better environment and forests however requires taking unpopular decisions (closing down of polluting industries, controlling vehicular pollution, reducing subsidy on forest raw material, etc.). It also needs greater investment the benefit from which is not easily discernible or immediate. When states are starved of funds cuts are imposed on the budgets of these departments and activities, and money is diverted to paying salaries or contractor driven programmes. Therefore improving governance must mean better policies and more funds for improving the quality of life through greater attention to environmental concerns. A certain part of the additionality of funds would be reserved for forestry and related activities and would be available when the states change their policies in favour of greater peoples' involvement. The follow up on these policies by the state governments would be monitored when allocating more funds for such programmes.

h. Decentralisation and redefining the role of government

The 73rd Amendment envisages a polity where more and more powers are decentralised to the third stratum, but ironically in many of the States administrative and financial powers have been heavily concentrated in the Secretariats and Directorates. This process of centralisation of authority has specially been going on in the last thirty years. This concentration, in addition to facilitating political corruption, results in making decisions the outcome of a long and tedious process that inconveniences the public.

Every organisation/department/Ministry needs to clearly work out a plan for devolution of powers. This decentralisation would naturally devolve greater responsibility down the line as well, and would have to be accompanied by delegation of powers, both administrative and financial. Devolution of spending responsibilities and revenue raising powers to the elected local bodies can ensure significant gains in service quality and accountability. Local Government finances must be strengthened. Along with this the capacity of rural elected bodies to make efficient use of devolved resources must also be reinforced. The system of inspections and summary recording of observations and work done should be revived.

De-regulation has made almost no impact at the state level. The systems of buying and selling land, issue of a ration card or refund of security, and Rent Control Acts, all need a thorough revision. One can set up an industry worth billions of Rupees in India without any license today, but a farmer can neither set up a brick kiln unit, nor a rice shelling plant, nor a cold storage, and not even cut a tree standing on his own private field without bribing several officials. A simple operation of converting prosopis (a shrub occurring everywhere in states like Gujarat and Tamil Nadu, the more you cut it the more it grows) into charcoal, which can give employment to thousands of people requires four different permissions! One to cut the tree, the other to transport it, the third to set up the kiln which costs only a few thousand Rupees, and the fourth one to transport charcoal which is also a forest product. In another state, tribal women are prohibited from doing value addition to gathered products, such as brooms, they must sell it to the designated contractor who thus enjoys a monopoly and pays pittance to the tribals. Almost all occupations in the urban informal sector, such as hawking, small manufacturing in residential areas are illegal! It is a sad commentary on our laws that the informal sector that provides maximum employment is mostly declared as illegal and subject to the whims of law enforcing agencies. No wonder, opening up of the economy has not been seen as a political asset by the political parties. A Committee should be set up to identify specific laws and rules that hamper entrepreneurship. A systematic review needs to be undertaken to review the areas in which government must withdraw, albeit in a phased manner, and departments that need to be wound up should be defined. It is also suggested that officers should be encouraged to take mid-career sabbatical, and live in the rural areas, so that they can see for themselves how the various organs of administration exploit the common man.

If poverty alleviation programmes have not helped the poor, part of the explanation can be sought in administrative structures and organisational weaknesses. By changing such policies and by improving the administrative apparatus incomes of the poor will rise, which will itself put pressure on the exploitative structure to change in favour of the poor. By using appropriate policy interventions that systematically modify structural consequences, changes in the crystallised structure can be induced. The establishment and strengthening of countervailing non-exploitative institutions may be more effective in enhancing the bargaining power of the poor than attempts at changing the structure.

Summing up

The UNDP in their Human Development Report, 1997, have summarised the characteristics of good governance as consisting of people’s participation, rule of law, transparency, responsiveness, consensus orientation in decision-making, equity, effectiveness and efficiency, accountability and strategic vision. These characteristics of good governance and a corruption free administration can be built into the system in a number of ways. While there is no uniform recipe in the form of a panacea which can address itself to all situations, any strategy for good governance must have the following ingredients : (a) people’s participation; (b) citizens’ charter; (c) civil services reforms; (d) effective monitoring and evaluation and ; (e) external oversight mechanism.

Attempts to reform bureaucracy have commonly not met with success. In India too, over the years, several consultants, committees and commissions have been set up to revamp bureaucratic administration. The feeling however persists that only cosmetic changes have been achieved and that the bureaucracy still retains its diffused responsibility, excessive scrutiny and excessive blocks to taking action, too much centralisation, too many executive functions and tasks which could have been delegated to the lower levels of governance, too many levels through which a case has to pass before a final decision is taken, too high a level at which final decisions are taken, too much of sequential processing of cases rather than parallel processing in those instances where multiple ministries and deptts. are involved, too little effective monitoring despite numerous audit reports inspections and other control mechanisms and poor inter-departmental coordination. Indian administration seems to come alive at best during crisis but it remains unresponsive while performing its routine functions.

There has been a determined effort in the countries with effective bureaucracies to decentralise authority, insulate administration from political influence and strengthen accountability for performance. The Singapore Statutory Boards for instance, have full autonomy to hire, fire, promote and generate resources to meet their expenditure subject however to Parliamentary approval for their policy frameworks and accountability to Parliament for performance. In Britain, under the financial management initiative, some autonomous executive agencies have been set up ensuring decentralisation with accountability through policy frameworks. In India decentralisation with accountability has at best, made some progress vis-a-vis the Central Govt. public sector enterprises but much work needs to be done elsewhere.

It is clear that reducing the size of government, ensuring more goal orientation, and stability of tenure leading to specialisation is likely to be a time consuming process. But if the process is initiated immediately and in right earnest, the country should be able to enter the 21st century with a vision of the future.