

GAUHATI UNIVERSITY
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POLITICAL SCIENCE

Paper: POL 3066
COMPARATIVE PUBLIC ADMINISTRATION
(INDIA, UK AND USA)



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BLOCK: 1
CONCEPT AND APPROACHES

Unit 1: Concept and Scope of Comparative Public Administration (CPA)

Unit 2: Evolution of Comparative Public Administration

Unit 3: Origin and Development of CPA

Unit 4: Ecological Approach to the study of CPA

Unit 5: Structural-Functional Approach to the study of CPA

Unit - 1
Concept and Scope of Comparative Public Administration
(CPA)

Unit structure:

- 1.1 Introduction
- 1.2 Objectives
- 1.3 Meaning and Definitions of Comparative Public Administration
- 1.4 Characteristic Features of Comparative Public Administration
- 1.5 Scope of Comparative Public Administration (CPA)
- 1.6 Concerns and Problems in CPA
- 1.7 Summing Up
- 1.8 References and Suggested Readings

1.1 Introduction

This unit is an endeavour to introduce you to the concept of Comparative Public Administration. Before discussing the various parameters of this concept, we must know about the importance of comparison. Comparison is an inherent trait or attribute of human nature. We compare between things, for example, for a variety of reasons like, describing the things, for proper evaluation, for reaching significant generalizations or for discovering common trends in particular institutions etc. Thus, comparison is necessary for better understanding and analysis. Thus, it was felt in course of time that in order to enrich the subject of study of public administration, comparison is a must. If Public Administration wants to be scientific, then there must be place for comparative analysis. Leading political scientist James Coleman says – ‘you can’t be scientific if you are not comparing’. Comparison may be of different types like, comparison can be cross-national or cross-cultural, between liberal and authoritarian systems, between developed and developing nations, between different developing nations and so on. Comparison may be at micro as well as macro level. Thus, it is evident and self-explanatory that cross-cultural studies in the field of Public Administration would eventually place the discipline on a firm footing and thus supply sufficient material for providing satisfactory explanation to

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administrative problems, establishing it on the solid bed-rock of science. Therefore, cross-cultural analysis is essential in the field of Public Administration. In this unit, we will make an endeavour to study the concept and scope of Comparative Public Administration (CPA) in its entirety.

1.2 Objectives

This unit introduces you to the concept of Comparative Public Administration and its different parameters in detail. After reading this unit, you will be able to:

- *discuss* the meaning and definitions of Comparative Public Administration as a field of study
- *understand* the scope of this subject of study
- *analyse* the distinctive features of this subject
- *discuss* the concerns and problems in CPA.

1.3 Meaning and Definitions of Comparative Public Administration

If Aristotle is known as the father of Political Science, the American scholar-statesman Woodrow Wilson has been regarded as the founder of the discipline of public administration. As Public Administration has originated as a sub-field of the discipline of political science, similarly Comparative Public Administration (CPA) has emerged as an area of specialization of the former.

Woodrow Wilson in his pioneering article, “The Study of Administration” published in 1887, stressed the need for comparative studies of administration. Wilson was the first modern scholar to consider Public Administration to have a field, methods, techniques and principles of its own as distinguished from those of politics. In 1947, Robert A. Dahl, in his much-quoted essay, “The Science of Public Administration: Three Problems,” repeated Wilson’s call for more research on Comparative Public Administration (CPA). The first Conference on Comparative Administration was held at Princeton University in the United States in September, 1952 under the auspices of the Public Administration Clearing House. That is why Nimrod Raphaeli has very rightly identified this Conference as the starting point of the study of CPA in the United States since systematic

research and teaching methods in Comparative Public Administration were first conceived at this conference. However, since then various other conferences were held under the former Comparative Administration Group (CAG) of the American Society for Public Administration. Research works were also undertaken to enrich the field of study of CPA.

Now, let us discuss some of the leading definitions on this subject in order to understand its meaning properly. Nimrod Raphaeli provided the following definition of CPA : “As is apparent, Comparative Public Administration is a study of Public Administration on a comparative basis.” This definition is vague and does not tell us anything about the meaning or content of CPA. Another definition is offered by Fred W. Riggs, who has restricted comparative studies in public administration to those studies that are empirical, nomothetic and ecological. This definition is also too narrow and excludes from CPA quite a large number of normative and idiographic studies. A more satisfactory definition is formulated by the former CAG, which referred to CPA as “the theory of Public Administration as applied to diverse cultures and national settings” and “the body of factual data, by which it can be expanded and tested.” Robert H. Jackson defined it as “that facet of the study of Public Administration which is concerned with making rigorous cross-cultural comparisons of the structures and processes involved in the activity of administering public affairs.” This definition of CPA by Robert H. Jackson is adopted because it focuses on public organizations and not private ones, and it involves widely cross-cultural comparison rather than intra-cultural comparison.

Thus, from the above discussion, it is clear to us that CPA as a subject of study deals with cross-cultural focus on the different aspects of Public Administration of different countries. Robert Dahl once remarked that in order to establish a science of public administration, it has to be comparative. Similarly, there are other social scientists such as Edwin Stene, Herbert Simon and Dwight Waldo who believed that in order to make Public Administration a scientific discipline, it has to make its explanations comparatively rational. (*Edwin O. Stene, An Approach to a science of Public Administration, Herbert A. Simon, Administrative Behaviour*).

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So, from the above discussion, it is clear that the use of rational and scientific investigations helps the subject to become capable of providing satisfactory solutions to the different problems of Public Administration. It is an established fact that the cross-cultural dimension of Public Administration has a promising future in the development of a science of Public Administration. So, CPA as a concept helps in enriching the field of study of Public Administration and making its study scientific. In the CPA movement, the most commendable work for its enrichment has been done by the Comparative Administration Group (CAG), with Prof. Fred W. Riggs as its chairman. The CAG has already brought out a number of research books. It is worthwhile here to refer to the saying of Keith M. Henderson, who informed us about the initiation of some researchers in the field of Comparative Public Administration, that there is ample evidence of current interest in Comparative Public Administration in the form of bibliographies, conferences, new courses and a wide range of scholarly articles and books. Even the *American Political Science Review*, which in the past has been slow to respond to new thinking in Public Administration, recognized this movement by inaugurating, as on March 1963, a bibliographical section entitled Comparative Public Administration. Again, Prof. Keith M. Henderson believes that in a very real sense, we may say that Comparative Public Administration is no longer a sub-area within the broader field of Public Administration, but is becoming a parallel focus, distinct from the current U.S. cultural focus.

We have discussed earlier that in Princeton University, the Public Administration Clearing House hosted a conference on Comparative Administration in the year 1952. The conclusions derived from the conference contributed to the growth of Comparative Public Administration as a discipline. The conclusions are thus summarized below:

1. Distinction should be drawn between policy values in government programmes and academic values in understanding administration;
2. Focused research would be more rewarding than re-classifying existing data; and
3. Criteria of relevance are indispensable.

Lynton K. Caldwell explains the nature of Comparative Public Administration as incorporating a greater diversity of methods and subject matter derived from sociology, cultural anthropology, and organization theory. Its field of inquiry has been primary in the so-called new or 'under-developed' nations.

So, we have discussed above in detail about the meaning and definitions of Comparative Public Administration. From the above discussion it is clear to us that in order to enrich the discipline of Comparative Public Administration, and make it more scientific it has to be critical, analytical, cross-cultural and not merely descriptive. It should be based upon sound judgements supported by true data collected from different countries of the world. Edward Shills has observed that "an inquiry may be considered comparative if it proceeds by the use of an analytical scheme through which different societies may be systematically compared so that, by the use of a single set of categories, their identities and uniqueness may be disclosed and explained."

STOP TO CONSIDER

The Essentials of Comparative Public Administration:

In the comparative public administration movement, the essentials to be precisely defined are the following :

1. concepts to be used in understanding of administrative phenomena;
2. comparable variables to be identified by scholars to be used to differentiate one category of administrative system from another; and,
3. new reliable techniques for investigation and inquiry.

1.4 Characteristic Features of Comparative Public Administration

As we know, Comparative Public Administration is relatively a young discipline having emerged only after World War II. Its origins in the academic world are to be found in the Conference on Administration held in 1952 at the Princeton University. Here, we will be discussing the circumstances which led to the evolution of the study of Comparative Public Administration.

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For this purpose, an examination must be made of the comparative elements in the early studies on government and administration. Then those factors which promoted an interest in the cross-cultural administrative analysis in the post-World War II era must be analyzed. In this context, the contribution of the Comparative Administration Group in the furtherance of the study of Comparative Public Administration in recent years will be assessed.

At this point, a brief reference to pre-World War II studies on “comparative” government and administration is in order, as the reaction against such studies was an important factor in stimulating the later comparative politics and public administration movements. The traditional literature on “comparative government” focused on the foreign relations, political parties, election machinery, pressure groups, constitutions, or institutions in their formal aspects. In the studies on “foreign governments”, institutional aspects were covered with reference to the major European powers: Great Britain, France, Germany, Italy and the Soviet Union.

Thus, from the above discussion, it is clear that the post-World War II studies abound with criticisms of the traditional comparative government literature. A few of these criticisms are like:

1. The traditional literature was culture-bound, limiting itself to the study of western nations and institutions;
2. It was normative in character because of its commitments to the values of constitutionalism and western liberal democracy;
3. It was parochial in character since it seemed to believe in a uni-directional development of political and administrative systems on the western patterns;
4. It was essentially legalistic and formalistic;
5. It was not ecological in perspective and it overlooked the multifunctional character of government institutions;
6. Further, it has also been observed that the traditional comparative government and administration literature was primarily descriptive rather than analytic, explanatory and problem-oriented.

Thus, it was essentially “non-comparative” in character, as despite the study of governments of several nations within a single volume, cross-cultural and

cross-temporal analysis and explanation were rare. It also lacked techniques and concepts to undertake such studies, especially of the non-western areas. It was due to these defects of the traditional approaches to Public Administration, that Comparative Public Administration came up as a new discipline of study. The turn of events during and after World War II changed the state of the comparative literature drastically. Today, Comparative Public Administration has gained a respectable academic and professional status as evidenced by the continually growing number of bibliographies, books, journals, conferences etc.

After identifying the factors which stimulated the study of Comparative Public Administration, next step is to identify the major characteristics of Comparative Public Administration. The following are the major distinctive features of CPA:-

- (1) **Youth stage**: - The first feature of CPA is that it is in its youth because it is a relatively new field of study which emerged after World War II. We can cite here Raphaeli, who opined that comparative public administration is a newcomer to the community of academic instruction and research. As stated earlier, he has traced the origins of CPA to the 1952 Conference on Administration held at Princeton University. Thus, CPA is a comparatively young discipline of study.

- (2) **Pre-paradigmatic stage** :- CPA's second feature is that it is, to use Thomas S. Kuhn's term, in a "pre-paradigmatic" stage, which is characterized by a diversity of approaches and the absence of a dominant model or paradigm. Kuhn's book, *'The Structure of Scientific Revolutions'*, is concerned with the development of the natural sciences. He argues that one of the hallmarks of science is the presence of a paradigm or a universally recognised scientific achievement to guide the research efforts of the entire scientific community. Thus, a paradigm is an universally recognized scientific truth or an achievement so that it becomes the starting point for all further research and unless reversed or modified by the discovery

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of newer paradigm, it remains the final reference point of explanation. For instance, Newton's theory of gravity was a paradigm that ruled the scientific world until it came to be modified by Einstein's theory of relativity. Thus, in CPA as in Political Science, one finds a plethora of competing approaches but hardly any paradigm. These approaches have been classified by Fred Riggs as normative, empirical, nomothetic, idiographic, non-ecological and ecological approaches.

(3) Empirical, Nomothetic and Ecological emphasis :- According to Riggs, Comparative Public Administration is characterized by the following three trends : (a) a shift of emphasis from normative to empirical approaches; (b) within the empirical category, there has been a change in emphasis from idiographic to nomothetic studies; and, (c) a shift in focus from non-ecological to ecological approaches.

Initially, the shift from normative to empirical concerns was carried too far with the result, the means rather than ends assumed the centre-stage of all administrative enquiry. However, the emergence of New Public Administration as a sequel to the post-behavioural revolution in Political Science has led to the revival of normative concerns in Public Administration in general and CPA in particular. In short, CPA today embraces nomothetic and ecological approaches without having to sacrifice its primary normative contentions.

(4) The American Scholarship –The field of CPA has been dominated until recently by American scholars of Public Administration in general and members of the CAG in particular. The CPA enterprise consists of those political scientists and students of Public Administration who contributed to the movement for CPA in United States Universities from 1952 onwards. With the financial assistance of the Ford Foundation, the CAG was created with the threefold purpose of increasing the volume of research, improving teaching materials and methods, and, stimulating the formulation and implementation of more effective public policies in the field of development administration. Thus, ever since its inception, the CAG

made a tremendous contribution to the study of Public Administration in general and CPA in particular.

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(5) Concern for theory building :-The next important feature of CPA is its emphasis on theory building. This concern for theory has been recognized by most scholars in the field, especially by Heady, Heaphey and Raphaeli. Theory may be defined as a general frame of reference made out of a variety of empirical data collected by the scholars in pursuance of their researches. It is simply an attempt to put together and synthesise apparently unconnected information and data into a meaningful proposition such as model. Thus, theory building is an important as well as an essential step in making a subject of study more precise and scientific. It also helps in saving time, energy and expense in designing a framework of study as a fresh starting point for every research undertaking. Thus, in other words, there is a great deal of emphasis on theory-building in CPA.

Theory building efforts in CPA have resulted so far in the formulation of two types of theories – general and middle-range theories. Examples of general theories are Fred W. Riggs’s macro-models of Agraria and Industria, and his theory of prismatic society. John T. Dorsey’s information-energy model, which is based on the equilibrium theory, is another general theory that has been applied by him to analyze political development in Vietnam. A typical example of middle-range theory in Comparative Public Administration is Max Weber’s ideal-type bureaucracy, which has been critically reviewed by Alfred Diamant, and tested in Egypt by Morroe Berger and in Turkey by Robert Presthus. In recent years, there has been a shift in emphasis from general theories to the middle-range theories in the field of CPA. It is because of the reason that the latter are more specific, less comprehensive, easier to administer and less time consuming. In this context, Presthus has urged the use of “middle-range theory” in the study of CPA because such theory is concerned with the explanation of a restricted set of relationships and not with the entire social system. In the same vein, Subramaniam

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has opined that the middle-range models in CPA provide an immediate useful framework for actual comparisons.

(6) Focus on Development Administration :- In addition to theory-building, development administration has emerged as yet another primary motivational concern of CPA. Actually, the international power structure that emerged after the World War II has resulted in the development of the concept of Development Administration. The creation of the new states in Asia and Africa and their entry into the world concert of nations as underdeveloped or developing countries have engendered an unprecedented focus on development in these areas on the part of the more advanced or developed nations. Actually, at that time, the world political scenario was such that both the United States and former Soviet Union competed with each other to enlist the support of the decolonized states to their respective foreign policies. American scholars made use of the situation and launched extensive studies in order to assess the developmental potential of these nations. Thus, according to a Special Committee of the CAG, development administration emerged, as practitioners and scholars working overseas increasingly recognized the inadequacy of existing knowledge, theories and techniques, for coping with the administrative difficulties encountered in underdeveloped countries, especially in technical assistance, national planning, and programme-oriented developmental activities. Thus, development administration, refers to the administration of developmental programmes designed to promote nation-building and socio-economic development and the concomitant development of administrative practices and institutions necessary for the implementation of programmes in the newly independent states of Africa, Middle-east and Asia.

1.5 Scope of Comparative Public Administration (CPA)

From the above discussion, it is clear to all of us that Comparative Public Administration (CPA) is the study of the administrative concepts and processes across Organizations, nations and cultures. The main concern of Comparative Public Administration is not only to recognize the similarities

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and differences among administrative systems and functions but also to establish general patterns and to discover and define successful or unsuccessful practices (Heady 2001; Jreisat 2002). We all know that countries all over the world are striving towards more successful methods of management and service delivery of better quality with lesser costs. Comparative Public Administration has helped tremendously in this field because it is committed towards the advancement of the administrative knowledge by focusing on administrative structures, functions, behaviours and outcomes across organizations and across cultural boundaries. It helped in making cross-cultural comparative research, which has got profound transforming effect in the field of public administration. As a result of opening up to the experiences of other countries, the newly emerging independent nations got benefitted immensely. Thus, the CPA advantage is measured in terms of its contributions which helped in expanding options and suggesting alternative strategies for improving the performance of the public institutions worldwide. Woodrow Wilson declared in his famous article 'The Study of Public Administration' (1887) "of ourselves, so long as we know only ourselves, we know nothing." Thus, he highlighted the need of comparative study. It needs mention here that various concepts like processes of accountability, ethics, merit-based appointments to public jobs etc have no nationality and can be applied in any public administration system with little adaptation to fit the context. Thus, CPA has played a pivotal role and served as the main instrument for the transfer of knowledge and skills. <Jreisat, J. E. (2011). Commentary Comparative Public Administration: A Global Perspective. *Public Administration Review*, 71(6), 834-838>.

However, it needs mention here that not all countries can apply the administrative practices or concepts similarly because many factors influence the adaptation and implementation processes. These factors are like cultural contingencies, the level of regime support, the general competence of public employees, corruption level, autocracy of the governance system etc. CPA helped the administrative systems of different countries by searching for patterns and regularities of administrative action and behaviour and thereby producing new insights, and helping countries on expanding the horizon of choice and facilitating the ability to sort out various problems and adopt the

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most worthy practices. Also it has helped the countries in the process of overcoming parochial tendencies and perspectives and making their moves internationally relevant. The pressure of globalization has furthered the momentum of change with greater energy and urgency. It needs mention here that the increase in the number of independent nations since 1945 and the subsequent competition led by the cold war situation then, has brought forward various issues and problems of management. At that critical juncture, CPA provided leadership by pioneering knowledge generation about the new countries and by helping these countries steer their governance from the traditional functions to that of the new role of nation building and socio-economic development. Not only that, CPA even proposed a distinct management to suit the need of these countries and labeled it as 'development administration'. The 1960s and 1970s were productive years because during those years many well-known concepts were suggested thereby creating rich exchanges and debates among the scholars and practitioners. For example, Fred Riggs enunciated the creative concepts and models such as agraria and industria, the prismatic model and the ecology of administration. <Jreisat, J. E. (2011)>

Moreover, CPA literature has always concentrated attention on reform, change and improvement of the administrative systems. Thus, administrative reform was the core of comparative analysis and research. For example, a study by Pollitt and Bouckaert (2004) compared public management reform in 12 developed countries like Australia, Belgium, Canada, Finland, France, Germany, Italy, Sweden, the UK, the US etc. Similarly, Manning and Parison (2004) in their study for the World Bank covered 14 countries. The future Comparative Public Administration research has to shift focus to places where the greatest needs remain like many countries in Africa, the Arab world, Latin America and South Asia are facing various administrative problems that justify greater investigative efforts to develop realistic reform strategies. <Jreisat, J. E. (2011)>

Thus, from the above study it is clear to all of us that CPA attained its greatest intellectual influence during the post world war II era, although it was in 1887, that Woodrow Wilson's article which is considered as the first articulation of public administration as a field of study, clearly emphasized

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the need of comparative approach as the foundation of developing administrative principles. Wilson argued for “putting away all prejudices against looking anywhere in the world but at home for suggestions” and emphasized that “nowhere else in the whole field of politics. . . .can we make use of the historical, comparative method more safely than in this province of administration” (Wilson, 1887). It is very important to continue to expand the empirical base of public administration by giving due importance to the comparative approach. As Fred Riggs said it well that all political science and any scientific understanding of public administration needs to be comparative (Riggs 2002). Thus, it is seen that the primary purpose of CPA throughout the years has been the development of administrative knowledge through comparisons of administrative experiences of different countries. From the very early years, the driving forces of the momentum for these cross-cultural administrative studies was the search for patterns and regularities from which generalizations can be established so as to enhance theory construction and reform application. All these comparative studies expanded empirical knowledge and provided better understanding of the anomalies of administration and politics in the emerging nations, and also helped to define, articulate and suggest various solutions to the perennial problems of public administration in the developing countries. <Otenyo, E. E., Lind, N. S., & Jones, L. R. (Eds.). (2006). *Comparative public administration: the essential readings*. Emerald Group Publishing.>

The study of CPA can be of various types. The comparative analysis may be inter-institutional, intra-national, cross-national, cross-cultural and cross-temporal.

Self Asking Question

Q. CPA literature has always concentrated attention on reform, change and improvement of the administrative systems. Discuss. (80 words)

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Various Approaches in CPA:-

There are various approaches to the study of CPA, as has been discussed below:-

1. **Bureaucratic Approach:-** Max Weber's Bureaucratic approach is a very important approach in the field of CPA. This approach focuses on the structural characteristics of bureaucracy like that of hierarchy, specialization, rationalized job structure and the selection of personnel on the basis of merit. However this model has been criticized for ignoring the informal, irrational and dysfunctional aspects of the bureaucratic behavior. The scholars who have contributed to the studies of comparative bureaucratic systems are Morroe Berger, Alfred Diamant, Ferrel Heady, Robert Presthus etc.
2. **General System Approach:-** Talcott Parsons has opined that "system" is the concept which refers to complex of interdependence between parts, components and processes, that involves discernible regularities of relationship and to a similar type of interdependency between such a complex and its surrounding environment. The approach lays emphasis on system-environment interaction which says that 'inputs' enter from the environment into the system, which processes the inputs within the system and leads to 'outputs' which go out from the system into the environment. The process is complemented by a continuous 'feed-back' mechanism operating between the environment and the system. This approach views public administration as a system with various interconnected parts. It looks at how these parts interact with each other and the overall system to influence various administrative practices.
3. **Ecological Approach:-** This approach considers the impact of the environment – social, economic and political – on public administration. We will discuss this approach in detail in unit 4 of this block.

4. Structural-functional Approach:- This approach focuses on the structural aspects of public administration with reference to their functioning as to how they function in different settings. We will discuss this in detail in unit 5.
5. Behavioural Approach:- This approach is concerned about studying and understanding the behavior of the individuals and groups within different administrative systems.

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1.6 Concerns and Problems in CPA

We have discussed above the scope and significance of comparative studies in the field of public administration. Over the years, many scholars have emphasized the importance of comparison for building theory and gaining knowledge (eg. Dahl 1947; Heady 2001; Peters 1978). However, despite its importance it is true that its effectiveness has been challenged by various critics:-

Firstly, critics have pointed out that consensus is lacking over the definition of the field (Jreisat 2002, 2005; Sigelman 1976; Van Wart and Cayer 1990).

Secondly, many scholars consider it insufficiently integrated with public administration in general (Heady 2001; Jreisat 2005; Pollitt 2011) and development practice in particular (Farazmand 2009).

Thirdly, scholars have consistently noted the lack of theory (Heady 1966; Riggs 1962; Van Wart and Cayer 1990). Despite the persistent efforts to establish a credible overarching Comparative Public Administration theory, it has been contended by the critics that many authors continue to make comparisons without any reference to theory (Pollitt 2011).

Fourthly, methodological shortcomings are also there. Some of the scholars have criticized the research literature for the scarcity of empirical data or quantification (Peters 1996; Riggs 1962; Sigelman 1976; Van Wart and Cayer 1990). <Fitzpatrick, J., Goggin, M., Heikkila, T., Klingner, D., Machado, J., & Martell, C. (2011). A new look at comparative public administration: Trends in research and an agenda for the future. *Public administration review*, 71(6), 821-830>

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Check Your Progress

1. Explain the concept of Comparative Public Administration. Discuss its nature and scope with reference to the developed and developing countries.
2. What is comparative public administration? What are its distinctive features? Why is it studied?
3. Discuss the various concerns and problems in the field of Comparative Public Administration.

1.7 Summing Up

We have discussed above the concept, meaning and scope of comparative public administration. From the above discussion, it is clear to all of us that through comparative analysis, we can understand the positive and negative traits of each and every administrative system. Comparative public administration helps us make a comparative analysis of different administrative system which in turn enriches the different administrative system to cope up with the challenges in a much better way.

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LINKS:

1. (<https://onlinelibrary.wiley.com/doi/full/10.1111/j.1540-6210.2011.02432.x>)
2. <https://www.jstor.org/stable/40861684?seq=2>
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Unit-2

Evolution of Comparative Public Administration

Unit structure

- 2.1 Introduction
- 2.2 Objectives
- 2.3 Reasons for CPA's Emergence after World War II
- 2.4 Evolution of Comparative Public Administration
- 2.5 Development and Comparative Public Administration: Retrospect and Prospect
- 2.6 Summing Up
- 2.7 References and Suggested Readings

2.1 Introduction

We have already discussed in the previous unit about the concept and scope of comparative public administration. In this particular unit, we will try to study about the evolution of comparative public administration. We have seen in the previous unit that Comparative Public Administration (CPA) is basically a post world war II development. Various factors have contributed towards its development and thereafter CPA emerged as a leading study in the domain of public administration.

2.2 Objectives

After reading this unit, you will be able to:

- *Understand* the reasons for emergence of CPA after World War II.
- *Discuss* the evolution of the subject.
- *Analyse* the connection between development and comparative public administration.

2.3 Reasons for CPA's Emergence after World War II

Why did CPA emerge only after World War II? If we want to answer this particular question, then we will have to look into the four reasons

which can be attributed to explain the post-war emergence of CPA. These four reasons are as follows:-

- (1) The reaction against the traditional approaches to the study of social sciences known as the Behavioural Revolution had its impact on the study of Political Science and Public Administration. Like other social sciences, Public Administration needed to get over its normative concerns and be engaged in empirical, comparative, cross-cultural and cross-national studies. Thus, CPA became important as an academic field of study soon after the emergence of the so-called Behavioural Revolution in the field of Political Science. Henderson has thus rightly opined that the intellectual roots of Comparative Public Administration theory lie in American Behavioural Science. Thus, the behavioural revolution in the field of Political Science led to the emergence of CPA and its concern with developing rigorous methods for the scientific study of Public Administration.
- (2) The increasing reliance upon American experience as the sole basis of an administrative science was found to be inadequate in the proper understanding and analysis of administrative structures and processes in other nations. American scholars realized the parochial nature of their own outlook and began fanning out to study the administrative culture and experience of other nations. In 1887, Woodrow Wilson was the first American scholar to stress the need for more data on administration of other countries by using the comparative method. Although Wilson's plea for more comparative research in Public Administration was reiterated some sixty years later by Robert Dahl, it should be noted here that unlike Wilson, Dahl was more emphatic with regard to the parochial nature of traditional Public Administration research, and more explicit concerning the importance of comparison as a prerequisite for the development of a science of Public Administration.

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- (3) The third important reason for the emergence of CPA after World War II was the mushrooming of new states in Africa, Asia and the Middle East during that period. These countries, by and large, were underdeveloped in varying degrees in the social, economic and political spheres. As such, after they attained independence, their main goals became nation-building and attaining minimum level of socio-economic development. Given the infancy of these states, and utterly inadequate literature about their own historical experience, there was an imperative need for more studies and research about these countries. CPA made a valuable attempt to intensify the collection of data on the nature of Public Administration in the developing countries.
- (4) The fourth and the final reason for the emergence of CPA after the war can be seen in the context of the decision of the United States and to a lesser extent, in the context of United Nations' offer to extend technical aid and co-operation to the developing nations. Initially, the newly independent nations used to adopt the American values and standards for their development. But, the success rate was low on account of the fundamental differences, in the socio-economic and cultural settings of the American and the recipient nations. Scholars thereafter had to undertake comprehensive studies and research on the indigenous structures and processes of the developing nations. They became aware of the fact that the administrative structures or principles applicable in the United States were not necessarily suitable in the context of the developing countries. In this context, William J. Siffin observed that administrative experts became acutely aware of a need for something more than a homespun approach to Public Administration in consequence of their mandated efforts to teach, evaluate, and adjust Public Administration in foreign settings. Moreover, research efforts in CPA at that time received a tremendous boost from the generous financial support provided by the aid-giving agencies in the United States, such as the Agency for International Development and the Ford Foundation.

Thus, we have discussed above the various reasons responsible for the emergence of CPA after World War II. That is why, it is said that as a subject of study, CPA is till now in its youth stage, having emerged only after World War II.

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Self Asking Question

Do you think that Comparative Politics and Comparative Public Administration movements share some common characteristics? Discuss. (80 words).

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2.4 Evolution of CPA

In order to understand the circumstances which led to the evolution of the study of Comparative Public Administration, we must examine the comparative elements in the early studies on government and administration. Moreover, the factors must also be analysed which promoted an interest in the cross-cultural administrative analysis in the post-World War II era. Ramesh K. Arora is of the view that the traditional Public Administration literature is primarily descriptive rather than analytic, explanatory and problem-oriented. Essentially it is non-comparative in character, for despite the study of governments of several countries, cross-temporal analysis and explanations were rare. It also lacked techniques and concepts to undertake such studies, especially of the non-western areas. In the post World War period, the scholars who studied the administrative systems of different countries, concentrated on central administrative machinery, decentralization pattern, control over the executive branch of government, civil service structures, public finances, financial administration, and the functions of administrative officers. For the first time, in 1952, a sincere effort was made in the U.S.A when a conference was organized on Comparative Administration at Princeton University. Even the *American Political Science*

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Review had recognized the Comparative Public Administration movement by inaugurating in March 1963 a bibliography section entitled Comparative Public Administration. Currently, in CPA, the focus of scholarly attention is on the study of the concept of development administration and the related problems. Also, commendable work has been done by the Comparative Administration Group (CAG) in the enrichment of the study of CPA. Thus, Comparative Public Administration deals with administrative organizations or systems pertaining to different cultures and settings whose similar or dissimilar features or characteristics are studied and compared in order to find out causes or reasons for efficient or effective performance or behaviour of administrators, civil servants or bureaucrats.

Now, let us discuss the evolution of the subject of Comparative Public Administration in different phases :-

Early stage :- Public Administration as an aspect of government activity has existed ever since the emergence of the political systems. However, as a field of systematic study, its development has come only recently. In the United States, Hamilton and Jefferson had drawn attention to certain aspects of Public Administration, but it was Woodrow Wilson's essay, "The Study of Administration", which is now considered to be the symbolic beginning of its academic study in America. In his pioneering article, "The Study of Administration", published in 1887, Woodrow Wilson stressed the need for comparative studies of administration. Wilson argued that certain administrative practices of Europe could be borrowed by the United States, without adopting the autocratic spirit of the former. This was essential for removing the evils of spoils system from U.S.A.

During this period, two important textbooks were published by Leonard White and William Willoughby, in 1926 and 1927 respectively. The other writings on Public Administration in the 1920s and 1930s generally adopted a management approach to Public Administration, and also showed a heavy concern with the enterprise of building a science of administration through the articulation of certain universal principles of administration. The cross-cultural character of the principles was even stressed by Leonard White.

In 1947, Robert A. Dahl, in his much-quoted essay, “The Science of Public Administration : Three problems”, repeated Wilson’s call for more research on Comparative Public Administration. Robert Dahl, asserts that as long as the study of Public Administration is not comparative, claims for a ‘science’ of Public Administration sound rather hollow.

Other scholars who contributed during this period were Heady and Raphaeli. In the first chapter of his book, “*Public Administration : A Comparative Perspective*”, Ferrel Heady advanced three reasons for comparison in the study of public administration –

First, following Dahl, he recognized comparison as an important pre-requisite for the development of a science of Public Administration.

Secondly, comparison in the study of Public Administration would help to promote international co-operation as a result of the increase in knowledge and understanding of the various administrative systems in the world.

Finally, Comparative Public Administration provided the necessary data for policy-makers in a country to consider the feasibility of adopting certain administrative devices used in foreign countries for their own country.

Thus, it is clear from the above discussion that effort was made prior to the end of World War II to undertake comparative analysis in Public Administration. But, the post-World War II period has witnessed the emergence of a major interest in the comparative study of political systems. In the late 1940s and the period after that, it was realized by the students of comparative public administration that there was intellectual developments in comparative sociology, anthropology, and other areas and thus, became interested in developing theoretical constructs with a cross-cultural, cross-national and cross-temporal relevance in their field. They realized the fact that the hypotheses developed in the American cultural context, in order to be valid and become a part of a science of public administration, should be tested in different cross-cultural settings. Moreover, modern behaviouralism, which developed in the late 1930s and 1940s was concerned essentially with the scientific study of human behaviour in various settings. It needs mention here that certain scholars like Harold Lasswell, Robert Michels, Lawrence Lowell were showing interest in the comparative studies of

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different political systems even before the World War II but ultimately the movement gained momentum only after the war.

1950s :- The first major institutional effort in the emergence of a comparative politics movement was made in 1953 when the Social Science Research Council sponsored a Summer Seminar on Comparative Politics. The comparative politics movement and the comparative public administration movement share many common stimuli and motivational factors, and thus this summer seminar provided a considerable impetus towards the study of Comparative Public Administration, particularly to its developmental aspects.

The first concerted attempt to further the study of Comparative Public Administration was made in 1952, when the Public Administration Clearing House sponsored a conference on Comparative Administration at Princeton. Also worthy of mention is an outline for comparative field research formulated by Wallace S. Sayre and Herbert Kaufman in 1952, and later revised by a working group of the American Political Science Association sub-committee on Comparative Public Administration.

During this period, two important developments took place in the subject of Public Administration. One was the tendency of the scholars and practitioners to compare the administrative systems within and outside national spheres, along with the beginning of comparative politics. The politicians also realized that comparison of bureaucracies both within and outside the country is very important. Another development in 1950s was the unfolding of foreign assistance problem. After World War II, the creation of new states in Asia and Africa and their concomitant entry into the world concert of nations as underdeveloped or developing countries have engendered an unprecedented focus on development in these areas on the part of the more advanced or developed nations. At that time in international political arena, cold war was going on. So, both the Americans and Russians tried to cultivate support for their respective foreign policies by dispensing technical assistance to willing recipient countries. These countries which received financial aid faced large number of administrative challenges. Further, political and social environments of these countries were different from those of developed countries like USA. The American scholars made use of the opportunity to

launch extensive studies in order to assess the developmental potential of these nations. This led to the development of this discipline in 1950s. Scholars like Gabriel Almond, Leonard Binder, James Coleman, Joseph La Palombara, Lucian Pye, Sidney Verba, Myron Weiner and all other members of the committee on comparative politics have also studied public administration.

1960s :- 1960s was the time of greatest vitality, vigour in the field of Comparative Public Administration, described as heyday of the discipline. During these years, students of Comparative Public Administration demonstrated an amazing productivity, and their field of interest grew rapidly in glamour and reputation. At the core of all this activity was the Comparative Administration Group (CAG), which in 1962, received initial funding from the Ford Foundation through a grant to the American Society for Public Administration, CAG's parent organization.

The CAG spun an elaborate network for carrying out its obligation to stimulate interest in comparative administration, with special reference to development administration problems. The CAG has developed a three-fold programme designed to encourage research, teaching and more effective public-policy formulation in the area of development administration. The Group also supported and sponsored research seminars and conferences and worked for the improvement of teaching materials and approaches. The work of CAG was reflected principally in publications which it spawned, either directly or indirectly. A newsletter was issued regularly as a means of internal communication. For a five-year period, from 1969 to 1974, the quarterly "Journal of Comparative Administration" was issued by Sage Publications in co-operation with CAG. The record of this "golden era" in Comparative Public Administration is basically a continuation and expansion of what had already begun during the postwar period. The most conspicuous trait of the comparative administration literature during this period, nevertheless, was an extension of the search for comprehensive theory.

Thus, from the above discussion, it is clear that in 1960s, the CAG has widened the horizons of Public Administration. It has opened the doors of the discipline to all kinds of social scientists, has made the scope of the field more systematic by studying different administrative systems in their

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ecological settings, and has stimulated interest on the part of its members in the problems of development administration.

1970s :- During this period, the exuberance of CAG's heyday has been replaced by a mood of introspection. The 1970s have brought several direct alterations in the scope of activities of the comparative administration movement. The Ford Foundation ended giving support. No substitute financial sponsor has materialized with help approaching the level provided during the 1960s. The 'Journal of Comparative Administration', after only five years of existence as the primary vehicle for scholarly research in the field, ceased publication in 1974. Perhaps most symbolically if not substantively important, the Comparative Administration Group (CAG) itself went out of existence in 1973, when it merged with the International Committee of the American Society for Public Administration to form a new Section on International and Comparative Administration (SICA). These indications of decline have been accompanied, and probably stimulated, by a series of critiques of the comparative administration movement made during the last few years, usually in the form of papers presented at professional meetings, several of which were subsequently published. Keith Henderson, writing in 1969 laid down the "identity crisis" in the field. John S. Jun finds fault with CPA for not keeping pace with its own parent field of Public Administration, and suggests that revival in comparative studies must incorporate recent developments in the broader discipline, particularly with regard to organization theory.

1980s and till date :- However, recent commentators have provided various thoughtful, useful and helpful suggestions to improve the field of study. Comparative Public Administration is now well established as a field of study. Comparative administration turned out to be attractive and interesting to some of the scholars of the "new" public administration because of its own relative newness. Both Peter Savage and J. Fred Springer call attention to choices in comparative studies among different levels of analysis. Public policy-making is another subject which has received much attention in recent years in this field of study. Today the subject is also concerned with the study of development administration and also focuses on the process of "institution-building".

Thus, today, as we can see and understand from the above discussion, Comparative Public Administration has achieved great success as a field of study and is becoming ever-widening in scope. It is pertinent to mention here that even IIPA i.e., Indian Institute of Public Administration as an organization has also contributed towards the enrichment of CPA. IIPA by conducting various research on public governance and also by publishing various research papers, books and journals has contributed a lot in the field of CPA. Moreover, IIPA organizes from time to time various conferences, seminars, and workshops etc which again help in enriching the field of CPA by sharing knowledge pertaining to the field. From the above discussion, it is also clear that various European scholars have contributed a lot in developing the comparative methodologies in the field of public administration and has helped tremendously in the understanding of the administrative systems across different countries.

2.5 Development and Comparative Public Administration: Retrospect and Prospect:

We have already discussed above that CPA emerged out of post-World War II efforts to find better global developmental strategies. Ferrel Heady noted that as long as the study of public administration was not comparative, there could not be a “science of public administration” in the true sense. A better understanding of Comparative Public Administration (CPA) is essential if governments are to establish, maintain or improve their administrative capacity (Jreisat 2005). Also it has been contended by many that a comparative approach can counteract tendencies towards parochialism and can help scholars and practitioners recognize the differences in governance context, like the institutions, administrative processes and culture and thus can present opportunities and challenges for effectively adopting uniform best practice solutions. <Fitzpatrick, J., Goggin, M., Heikkila, T., Klingner, D., Machado, J., & Martell, C. (2011). A new look at comparative public administration: Trends in research and an agenda for the future. *Public administration review*, 71(6), 821-830>.

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The fields of Comparative and development public administration began to develop after World War II and comparative administration in particular gained momentum immediately after the War (Heady, 1996). Actually, during that time, various factors contributed which led to this development. These factors are like, the need for extension of range and scope in public administration as a discipline, wartime experience of scholars and practitioners abroad, overseas technical assistance assignments, growth of the comparative politics section of the American Political Science Association as well as the comparative section of the American Society for Public Administration, the increasing opportunities in the 1950s and 1960s for those interested in pursuing comparative public administration research and scholarship. All these factors together contributed towards the development of CPA in post war period. <Farazmand, A. (1996). Development and comparative public administration: Past, present, and future. *Public Administration Quarterly*, 343-364>.

However, if we look back at the early origins, we find that administration and civilization have always existed side by side and nourished each other as both were integral parts of human progress. Various writers have asserted this fact. Let us have a look at it now. Civilization promoted administration and administration made civilizational achievements possible (Waldo 1992; Nash 1969; Farazmand). Both have contributed to the development of each other for “civilization and administration” always have been and still are intricately joined” (Waldo, 1992). However, systematic study of both development and comparative administration are more recent enterprise. It needs mention here that both the twin fields of public administration: comparative and development administration, developed together. In the post war period, the developing nations which were under colonial rule for a long time, soon after their independence adopted various developmental plans for their national economies but many lacked the requisite institutional and administrative capacities to carry out those plans. As a result, experts in Public Administration from the United States and other western European countries came forward and provided the administrative know-how to the developing nations. This resulted in tremendous interest and growth of development administration as a field of

study and practice and by the 1960s, the growth of development administration as a field of study and practice was well institutionalized. At the same time, there was the emergence of the Comparative Administration Group (CAG) which was founded under the auspices of the Ford Foundation in 1962. The CAG, under the leadership of Riggs had done monumental works in the fields of comparative and development administration and was highly praised for its major achievements. It was at that time that a large number of studies were conducted around the world and funded by the Ford Foundation which showed tremendous interest in developmental aspects of the developing nations. Thus, the twin fields of comparative and development administration have roots in the ancient time and as major components of modern public administration, both have struggled in their attempts to develop conceptually and practically since their very inception after World War II. It has resulted in the post-War proliferation of interest and studies in both the fields and a large number of publications were created in the field. However, this knowledge has been subjected to criticisms from various quarters on different grounds, ranging from the fragmentation of studies to the problems of definitions and methodological and scientific rigor. The CAG was criticized for its major failures including the production of many studies viewed as culturally biased and for favouring the dominant powers of the West against the developing nations. Loveman called the CAG movement and its leaders too elitist with little concern for the masses in the developing nations. Peters (1988) had leveled the strongest criticisms against the comparative administration on academic research grounds particularly on methodology. It needs mention here that the achievements and failures of the CAG and the academic development of comparative and development administration in the past have been thoroughly analyzed by a prominent expert, Ferrel Heady in his classic book, 'Public Administration: A Comparative Perspective' (1996). <Farazmand, A. (1996). Development and comparative public administration: Past, present, and future. *Public Administration Quarterly*, 343-364>.

Thus, it is very much clear from the above discussion that in the late 1960s, the CAG movement declined and its legacies were absorbed into the larger disciplines of political science and public administration. In a nutshell

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we can derive the following points of criticisms as pointed out by the critics:- It has been asserted that the individual scholars associated with the CAG did not represent a unified intellectual or organizational whole. The critics even pointed out that they lacked a paradigmatic consensus on how to study comparative administration. As pointed out by Peter Savage, Comparative Administration started with no paradigm of its own and developed none. However, Ferrel Heady has very nicely summarized in a recent article that the comparative perspective inevitably will become more prominent, enriching general public administration by widening the horizon of interest in such a way that understanding of one's own national system of administration will be enhanced by placing it in a cross-cultural setting (R Sapru).

Thus, comparative method of analysis is central to the understanding of various aspects of public administration. Something can hardly be adjudged as scientific if it lacks a comparative dimension. As stated above, there were concerns that comparative administration lacked a focus and was disjointed. Critics pointed out that what passed as comparative works were actually analysis of single-country administrative processes, institutions and systems. Importantly, cross-cultural scholarship has been in short supply (Jreisat, 2002). Yet, happily, the interest and enthusiasm in the comparative method is growing rather than dwindling. In an article, Jamil Jreisat stated that Comparative Public Administration is back in, prudently (Jreisat, 2005). <Otenyo, E. E., Lind, N. S., & Jones, L. R. (Eds.). (2006). *Comparative public administration: the essential readings*. Emerald Group Publishing>.

Thus, the above discussion makes us all clear about the fact that the major thrust of Comparative Public Administration research has always been there to discover the administrative patterns and regularities over time and place. Let us now focus on the vital role of comparative analysis in the field of public administration as pointed out by some leading thinkers. For example: As a result, the comparativists devoted considerable attention to identification of environmental factors that affect administrative performance (Jreisat 1997). Comparative research often appeared perpetually searching for relevant variables, their range of variations, and the consequences of

those variations in determining critical administrative issues (Thompson 1959). Thus, it is clear to us that the search is always on for attaining the twin objectives of theory building and utility. The Comparative administration project thus included a variety of research efforts in order to define, analyze and explain the similarities and differences of processes of management and organization cross nationally. <Farazmand, A. (Ed.). (2019). *Handbook of comparative and development public administration*. CRC press>.

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STOP TO CONSIDER

Role of CAG:-

We have already discussed above the achievements and failures of CAG. We have already studied that CAG provided the necessary leadership with a great deal of openness. The CAG program of action can be specified as follows:- (i) the circulation of numerous mimeographed “occasional papers” and the publication of a selected few in a book form; (ii) the distribution of a News-letter among CAG members which communicated news and activities as well as research developments in the field; (iii) the organization of seminars and conferences; and, (iv) the publication of the ‘Journal of Comparative Administration (JCA)’ as a vehicle for the dissemination of research findings and scholarship. However, in course of time, the search by CAG for a permanent and sustainable organizational configuration was culminated by a merger with the International Committee of the American Society for Public Administration. The new section on International and Comparative Administration (SICA) also provided the organizational structure necessary for pursuing the program of the comparative approach. Another remarkable change was the transformation of the JCA into ‘Administration and Society’ so as to attain a wider scope and broader commitments. <Jreisat, J. E. (1975). Synthesis and relevance in comparative public administration. *Public Administration Review*, 35(6), 663-671>.

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Though the study of Comparative Public Administration has proliferated over the years and contributing hugely towards comparative studies fruitfully, yet, the dielemma of comparative public administration is that even after so many years of development, it is still faced with the unresolved problems of defining research commitments and articulating appropriate methodologies. In a nutshell, it can be said that the twin sub-fields of comparative and development administration have contributed significantly to the general field of public administration over the last years since the end of World War II. The academic proliferation of studies in the field of development administration has contributed significantly to the field of comparative public administration and politics.

Check Your Progress:

1. Trace the evolution of Comparative Public Administration as an important sub-discipline of Public Administration.
2. Critically analyse the role of CAG in the enrichment of the study of Comparative Public Administration.
3. How the twin concepts of development and comparative public administration helped in the enrichment of the domain of Public Administration. Discuss.

2.6 Summing Up

After reading this unit, now you are in a position to discuss the meaning, definition and evolution of CPA. From our discussion, it is seen that during and immediately after World War II, an interest in the study of non-western nations became a common characteristic of almost all the social sciences. It is to be noted here that although the early government and administration studies appear to be inadequate for the present purposes of cross-cultural administrative analysis, their contribution in providing a foundation for later disciplinary advancement has been considerable. Today, Comparative Public Administration has gained a respectable academic and professional status.

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Unit-3

Origin and Development of CPA

Unit structure:

- 3.1 Introduction
- 3.2 Objectives
- 3.3 Origin and Development of CPA
- 3.4 Historical Background
- 3.5 Concept of Development Administration
 - 3.5.1 Meaning of Development Administration
 - 3.5.2 Distinctive features of Development Administration
 - 3.5.3 Aims and Functions of Development Administration
- 3.6 Development administration and Developing countries
- 3.7 Summing Up
- 3.8 References and Suggested Readings

3.1 Introduction

We have already discussed in the previous unit about the evolution of CPA in details. Here, in this particular unit, we will make an endeavour to study about the origin and development of CPA, with emphasis on the historical background. And since the concept of development administration is of prime importance in the field of comparative public administration, here, we will also make an effort to discuss the concept of development administration in its entirety.

3.2 Objectives

After reading this unit, learners will be able to:

- *Know* the origin and development of the concept of comparative public administration.
- *Understand* the historical background of the evolution of CPA.
- *Analyse* the concept of development administration.

3.3 Origin and Development of CPA

Comparative Public Administration signifies or represents a significant response to the perceived limitations of the traditional schools of administration, which were often criticized for their inadequacy in dealing with the new administrative realities in the post World War II period. It was realized by many that the traditional approaches were too narrow, too rigid and too parochial. The studies were based on the western mainly the American experiences and thus, could not be relied in the cross-cultural situations. Moreover, the traditional administrative thinking also suffered from the false assumptions which led to the viewing of the organization as a closed system which is separated from the various complex influences of its environment. The methods of research used earlier were judged as deficient, unsystematic and not conducive to dependable measurements. So, ultimately the students of administration found a more dependable and acceptable alternative in the comparative perspective which facilitates a cross-cultural comparison. It is very much concerned with the interdependence of administrative behaviour and institutions with that of culture and also it seeks to explain as to how a great variety of the non-American forms, institutions and practices are working in other countries as well. The value of comparative study was highlighted earlier several years ago when Robert A. Dahl declared that as long as the study of public administration is not comparative, claims for 'science of public administration' sounds rather hollow. It needs mention here that the productivity of the 1960s was impressive and names of Braibanti, Esman, Heady, LaPalombara, Riggs and Waldo needs mention here. It was at that time that numerous books, papers and articles were published and various courses and seminars in the field of Comparative Public Administration became integral parts of the curricula of several universities. <Jreisat, J. E. (1975). Synthesis and relevance in comparative public administration. *Public Administration Review*, 35(6), 663-671>.

As argued by Heady (1990), the comparative study of public administration is struggling to accommodate two seemingly inconsistent tendencies: one tendency is to try to 'generalize by making comparisons that are as inclusive as possible and by searching for administrative knowledge that transcends national and regional boundaries' (Heady 1990). However,

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the other tendency is towards case-specific or idiosyncratic analysis 'with only scant attention, or none at all, to foreign experience'. <Pierre, J. (Ed.). (1995). *Bureaucracy in the modern state: an introduction to comparative public administration*. Edward Elgar Publishing>.

Let us now focus on the development of the comparative study of public administration, which can be said to have developed in three phases:-

In the first phase, there was an institutional consolidation of the research field in the Comparative Administration Group (CAG) under the auspices of the American Society for Public Administration (ASPA) and also there was significant financial support from the Ford Foundation (Caiden and Caiden 1990). The emphasis was on development administration (Dwivedi and Henderson 1990). As a result of all these efforts, these were the times of high flying ambitions to create grand theory on public administration (Heady 1966; Riggs 1964). However, it came to little help in guiding empirical inquiry. The second phase was hit by the behavioral revolution in the comparative study of public administration. A number of cross-national studies using a quantitative methodological approach were conducted, where the names of Aberbach, Putnam and Rockman in the early 1980s needs special mention. However, there was again a sense of frustration amongst the scholars as what were seen were actually comparative studies of sub-fields within the larger domain of comparative public administration. Finally, it was in the third phase that theory and empirical studies have begun to connect more clearly than previously and more attention was given on development of the 'middle-range' theories on public administration. The problems encountered by the scholars while making the comparative studies were like: firstly, problem was there with that of conceptualization and definition. Secondly, problem was developing a framework for analysis which specifies the dependent and independent variables. And thirdly, problem was with that of measurement and theory testing. <Pierre, J. (Ed.). (1995). *Bureaucracy in the modern state: an introduction to comparative public administration*. Edward Elgar Publishing>

Thus, we can say that the comparative studies of politics and administration are mainly a twentieth century academic development although

studies of “other” nations or politics and administration were conducted in Europe as early as in the nineteenth century. However, comparative studies in the true sense of the term proliferated after the World War II. <Farazmand, A. (1996). Development and comparative public administration: Past, present, and future. *Public Administration Quarterly*, 343-364>.

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3.4 Historical Background

If we look back at the human history, we can understand well the significance of public administration and bureaucracy, which contributed a lot in the growth and development of civilization. To begin with, we can refer to the Sumerians and Elamites (early Iranians) who developed urban design and planning as well as the first prototype written scripts or languages which gave humans the tools to record history. Thereafter, the Egyptians, Assyrians, Greeks, Babylonians, Elamites, Medes, Persians, Chinese, Romans also developed significant administrative systems which helped in laying the foundation of the modern administrative state. All these developments in the administrative systems led to the emergence of the concept of development because ‘development’ was a constant variable in all the major civilizational powers as they all strived for improvement in human conditions in all the domains like that of governance, military, the economy and the society. Moreover, massive public work projects were undertaken in the ancient empires which contributed further towards the development of administration, like, they started constructing bridges, roads, canals, monuments, temples, communication system etc. Also, they contributed in other aspects as well like the Egyptians built the pyramids and developed medicine. Similarly, the Babylonians tried to protect themselves with fortified walls against outsiders and also developed written administrative records. Chinese also contributed as they built the defensive wall and contributed towards the development of civil service examination systems. Also, Greeks developed art, philosophy, governance theory, and the ship-building profession. Persian helped in building a centralized, professional bureaucracy famous for its efficiency and effectiveness and through that administrative state, they developed efficient postal/communication systems, improved taxation, legal system etc. Romans also

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helped in promoting the legal profession, administrative system and legislative democracy. All these massive public administrative activities were developmental in nature which helped in contributing to the changing conditions of human societies. The above discussion proves that both the development administration and public administration had their origin in the ancient world. Now, coming to comparative study of public administration, it needs mention here that it was rooted in ancient Greece where the Athenian philosophers, especially Plato and Xenophon discussed about comparative governments. Also, Herodotus (1954) studied and wrote about diversity of governmental systems, from those of the Greek City-States to that of the major empires. Thus, like development administration, comparative public administration also had its roots in the ancient time. But it needs mention here that the systematic study and development of comparative public administration appears to be a more recent phenomenon. During the formative phases, the comparative movement was closely associated with the comparative politics. But the results of the comparative studies often enhanced the knowledge of politics and culture. It has been contended by Roberts and Grabowski that a number of cross-national comparative analysis studies have been done in the past few years, several of which show that structure differs across cultures regardless of technology (Roberts and Grabowski 1996:415). Cross-national analysis often tracks the political dimensions to produce classification schemes and characterizations of the political and administrative systems. <Farazmand, A. (Ed.). (2019). *Handbook of comparative and development public administration*. CRC press>.

3.5 Concept of Development Administration

Development administration is an aspect of welfare administration. As a concept, 'development administration' is not very old. It has gained popular currency among the new nations of Asia, Africa and Latin America which became progressively free and independent since the Second World War. These countries were under colonial rule for a long time. So, after independence, these countries wanted to attain development, but as a result of long term colonial exploitation, these nations faced immense problems.

That time, the international power structure was such that the United States and the former Soviet Union competed with each other to enlist the support of the newly independent nations to their respective ideology. American scholars took the opportunity to make comprehensive studies of the political and administrative structures of the developing nations in order to assess their potential for development. It led to the development of vast amount of literature which came to be known as ‘development administration’.

3.5.1 Meaning of Development Administration :

Development is a function of political systems involving increased ability to shape and reshape their environment. Development is also viewed as the dynamic change of a society from one state of being to another without positing a final mature condition. Riggs has defined development as “a process of increasing autonomy (discretion) of social systems, made possible by rising level of diffraction”. ‘Discretion’ is the ability to choose among alternatives, while ‘diffraction’ refers to the degree of differentiation and integration in a social system. Riggs has considered diffraction as the necessary and perhaps the sufficient condition for development, i.e., for increased discretion.

Conceptual thinking on ‘development administration’ is to be found mainly in the writings of a group of American experts belonging to the discipline of Comparative Public Administration. Notably among this group are Edward Weidner, Fred Riggs, Montgomery, Donald Stone. Ramesh K. Arora, S.R. Maheshwari are the Indian scholars who contributed immensely to the field of development administration.

Some of the leading definitions of the concept are given below so that you can understand the concept in a better way :

- (1) According to Merle Fainsod “development administration ordinarily involves the establishment of machinery for planning economic growth, and mobilizing and allocating resources to expand national income,”
- (2) As opined by Montgomery “development administration means carrying planned change in the economy or capital infrastructure or

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to a lesser extent in the social services, especially health and education”.

- (3) According to Donald Stone “broadly, development administration is concerned with achieving national development.”

The above definitions focus on the basic/important elements of development administration like action, goal, economic change, social engineering, innovation, reform, planning, problem-solving, nation-building and so on.

Some scholars again define it as the capacity of a social system to make decisions with autonomy, autonomy implying a relative freedom from the constraints of the environment and also the capacity to modify it. Development is thus a dynamic process of growth as well as change. It is a dynamic process of change from one state of being to another without setting a final mature end to this process. Weidner calls it a process that is never ending, and which is never complete. According to him, “development is a state of mind, a tendency, a direction. Rather than a fixed goal, it is a rate of change in a particular direction.” (*Edward Weidner, Development Administration : A New Focus for Research, pg. 99*).

Dr. J.N. Khosla, an eminent scholar of public administration (ex-director of the Indian Institute of Public Administration, New Delhi) has identified three major areas of activity in development administration, as given below :

1. It is an effort towards planned transformation of the economy, involving not only the sphere of administration but also politics and indeed society as a whole.
2. It is an effort for the synchronization of changes in all spheres of development. Special emphasis is placed on the political and social context of administration.
3. All the above mentioned areas imply political control of administration and the formulation of plans and policies. These are also meant to include citizens’ reaction to administrative action, their active participation in development efforts and the need to change the administrators attitude. [Advanced Public Administration (vol.I) by R D Sharma]

Ferrel Heady states that development exists in societies,

- (a) that have relatively equal distribution of benefits,
- (b) that utilize modern technology,
- (c) that assign rewards according to personal achievement and not according to family, caste or tribal background,
- (d) that use specialists in economic and government roles, instead of generalists who must provide leadership in a full range of activities, and,
- (e) that have governmental units that can adjust to social or economic change and acquire “new capabilities to meet new demands”.

To Harry J. Friedman, development administration contains two elements :

- 1. the implementation of programmes designed to bring about modernity, and,
- 2. the changes within an administrative system which increases its capacity to implement such programmes. [Advanced Public Administration (vol.I) by R D Sharma]

Thus, development administration is the part of administration concerned with the development of a country’s economy and society. Mohit Bhattacharya considers “development administration” as an “administrative ideology of the developing countries.”

3.5.2 Distinctive features of Development Administration

The distinctive features of development administration may be listed as follows:

- (1) Change-orientation** :- Development administration is flexible and open to change along with the changing needs and aspirations of the people.
- (2) Goal-orientation** :- Development administration is dominantly goal-oriented. It seeks to achieve progressive political, economic, social and cultural goals.
- (3) Client-orientation** :- Development administration is manifestly client-oriented or beneficiary oriented. It has to satisfy the aspirations, and urges of the clients, i.e., the people

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of the areas. The needs, requirements and wants of the needy people of the scarcity-hit-areas of under-developed countries are to be satisfied and fulfilled within specified time-periods. There are some identified target-groups like, children, women, people belonging to backward classes, contract labour and various other categories of people, which need immediate and prompt attention. Development administration fulfills this necessary ingredient. For example, in India, there are client oriented projects like, Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Rural Landless Labour Employment Guarantee Programme (RLEGP), Small Farmers' Development Agency (SFDA), Tribal Area Development Programme (TADP) etc.

- (4) **Citizen-participation orientation** :- Development administration calls for active participation of citizens in the programmes of development.
- (5) **Time-orientation** :- It is time-oriented, which means that all the developmental works must be completed within a definite time-frame.
- (6) **Innovativeness** :- Development administration seeks to be flexible and innovative. Experimentation with new structures, methods and techniques is a normal practice in development strategy.
- (7) **Effective Integration** :- Development administration needs high degree of integration and co-ordination.
- (8) **Coping ability** :- Development administrative systems need to have high degree of coping ability, i.e., it will have to respond positively to all the demands and challenges of the environment.
- (9) **Commitment** :- This is another important feature of development administration. Commitment is actually needed so as to change the socio-economic scenario of a country and also to conceive the problems of the country in true perspective. Professor J. N. Khosla calls this as an

increasingly significant role not only in the planning and implementation of the programme of development but also in the entire process of the transformation and modernization of Indian Society.

(10) Responsiveness:- Also, development administration has great responsiveness to the society and the country to complete the developmental projects within the required time frame.

Apart from the above discussed features, there are certain other variables or distinctive features, which give one an indication about the degree of development of a community, region, state or a country. These variables inform us about the rate or pace of development, or development-acceleration. These are : democratization, modernization, secularization, affluence, institution building, differentiation, cohesion, equitable and just economic order, peaceful transformation towards decentralized society. Thus, development administration is goal-oriented, change-oriented, progressive, planned, innovative, flexible, motivational, client-oriented and participative in nature. That is why, Fred W. Riggs rightly says that development administration covers the area from administration of development programmes to the methods used by large-scale organizations notably government to implement policies and plans designed to meet their development objectives. Riggs considers development administration as both administrative problems and governmental reform.

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Stop to Consider

The Causes responsible for the Growth of Development Administration:

Various causes were responsible for the growth and increasing importance of the concept of 'development administration' :

1. Emergence of newly independent countries of Asia, Africa and Latin America after World War II. These countries were making persistent efforts for bringing about socio-economic development, but were confused as to what to do to bring development. It was at this juncture that the American scholars

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came forward with the concept of ‘development administration’, the type of administration suited to the needs and demands of these developing countries.

2. U.S. economic and technical programmes to assist the efforts of the developing nations.
3. The interest shown by the American scholars especially of the Comparative Public Administration group (CAG) in the developing nations and their administrative systems.

3.5.3 Aims and Functions of Development Administration :

It is very pertinent for us to clearly understand the aims as well as the functions of development administration for a better understanding of the concept.

Development Administration aims at :

1. societal change through modernity,
2. planned change to meet nation’s broad economic, social, political and cultural objectives,
3. social justice through equitable distribution of various benefits,
4. political development by promoting equality, capacity to cope with demands etc.

Functions of Development Administration are highlighted by different thinkers in different ways. According to J.N. Khosla, the main functions of development administration are :

1. formulation of developmental goals and policies,
2. programme formulation and programme/project management,
3. reorganization of administrative structures and procedures,
4. evaluation of results,
5. securing people’s participation in the developmental effort,
6. promoting growth of social and political infrastructure.

Higgins points out the following functions :

1. to provide a minimum of public order,
2. to provide a minimum of essential services,
3. to provide for common defence and for dealing with other governments,

4. to afford means for resolving conflicts over public purposes,
5. to facilitate the accumulation of saving and allocation of resources to increase availability of worldly goods, etc.

Easman considers nation-building and socio-economic development as major political goals of a country. In order to cope with these twin goals, every development administration must undertake the following functions :

1. achieving security against external aggression and ensuring internal order,
2. establishing and maintaining consensus and the legitimacy of the regime,
3. integrating diverse ethnic, religious, communal and regional elements into a national political community,
4. displacement of vested traditional, social and economic interests,
5. development of modernizing skills and institutions,
6. fostering of psychological and material security,
7. mobilization of savings and of correct financial resources,
8. rational programming of investments,
9. efficient management of facilities and services,
10. activating participation in modernizing activities, especially in decision-making rules,
11. achieving a secure position in the international community.

Thus, from the above discussion, we have come to know about the different parameters of the concept of development administration. It is clear from the discussion that the developing countries in order to have development administration, must adopt certain practices, like : manpower planning and development, perspective and long-range planning, research and development, scientific analysis and study, adoption of new values for the purpose of development, import of scientific techniques, instruments and technology, establishment of training institutes for administrative development. We all know that development administration has assumed greater importance after the independence of many European colonies. It was believed that the administrative system of newly independent countries should be geared up to take the new assignment i.e., “development” in order to make these countries capable of raising the standard of living of their people.

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3.6 Development administration and Developing countries

We have discussed above the meaning, features, aims and functions of Development Administration. It is seen that development administration has its own relevance in the administrative system of the developing countries. The ingredients of development help us understand the rate of growth in a particular country. However, the ingredients may be indicative factors or the variables which may vary depending upon the input efforts of the country. However, it needs mention here that there are certain preconditions which needs to be satisfied before development take place in a country, which are like: import of sophisticated technology, higher degree of differentiation, communal harmony, cooperation and industrial peace, higher degree of motivating effort on the part of administrations, political stability and absence of conflict. Thus, development administration is that part of administration which is concerned with the development of a country's economy and society. It is through development administration that socio-economic change in developing countries can be understood. Development administration is therefore defined keeping in view the planned socio-economic changes. It is commonly believed that if the developing countries are not developing, then it is because they could not execute their developmental programmes. Thus, the study of development administration helps us understand the administrative systems of the developing countries and thus, in turn help us make a comparative study of different developing societies. It is due to this reason that development administration occupies a very important place in the study of origin and development of CPA.

Self Asking Question

Do you think that development administration has some thrust areas in India? Discuss. (80 words)

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Check Your Progress

1. Discuss briefly the origin and development of Comparative Public Administration.
2. Evaluate the contribution of Fred Riggs towards the enrichment of comparative administrative studies in the developing countries.
3. 'Development Administration' is change-oriented, goal-oriented and policy-oriented' – explain.

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3.7 Summing Up

In this unit, we have discussed the origin and development of comparative public administration. We have also understood the concept of development administration, which forms a core issue in comparative public administration, and realized that the developing countries in order to embark upon the path of development must follow the essential criterias of development administration. It is seen that development administration has assumed greater importance after the independence of many European colonies. It is believed that these newly independent countries should be geared up to take development so that these countries can improve the standard of living of their people. Thus, it is seen from the above discussion that all forms of development from political and social to economic, industrial and technological are only possible through a highly efficient administrative system.

3.8 References and Suggested Readings

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Unit - 4

Ecological Approach to the study of CPA

Unit structure:

- 4.1 Introduction
- 4.2 Objectives
- 4.3 Approaches to the study of CPA
- 4.4 Concept of 'Ecology'
- 4.5 Ecological Approach
 - 4.5.1 Significance of Ecological approach in the field of Public Administration
 - 4.5.2 Characteristic features of Fused, Diffracted and Prismatic Model
- 4.6 Critical appreciation
- 4.7 Prismatic Economy – the “Bazaar-Canteen” Model
- 4.8 Rigg’s Developmental Approach
- 4.9 Summing Up
- 4.10 References and Suggested Readings

4.1 Introduction

Comparative Public Administration (CPA) is a relatively young discipline as it emerged only after World War II. Its origins in the academic world are to be found in the Conference on Administration held in 1952 at the Princeton University. This unit is an endeavor to introduce you to the Ecological approach to the study of Comparative Public Administration. This unit will help you to understand how Ecological approach helped in enriching the study of Comparative Public Administration. Fred W. Riggs who is regarded as the most innovative contemporary theorist in the field of comparative public administration, was basically interested in the study of 'developing' or transitional societies. In order to explain the administrative ecology of such societies that he has enunciated “prismatic-sala” models.

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4.2 Objectives

This unit is designed to help you understand the Ecological approach to the study of Comparative Public Administration. After reading this unit, you will be able to:

- *understand* the ecological approach to the study of Comparative Public Administration
- *examine* the importance of this approach to the study of Comparative Public Administration
- *discuss* the Characteristic features of Fused, Diffracted and Prismatic Model.

4.3 Approaches to the study of CPA

We already know that CPA is a relatively young field of study. Apart from being a relatively young discipline, a product of the post-war situation, CPA, finds itself in a pre-paradigmatic stage. A paradigm is a universally recognized scientific truth or achievement that becomes the starting point for all further research and unless reversed or modified by the discovery of newer paradigm, it remains the final reference point of explanation. In CPA, one finds a plethora of competing approaches but hardly any paradigm. Before the paradigmatic stage is reached, there exists a number of competing views, languages and logics, and at this point a common research tradition and consensus regarding a common field of inquiry is lacking. One of the basic problems in contemporary Public Administration relates to the approach to be adopted to describe, explain and predict the behaviour, subject matter, areas and boundaries of the discipline.

Let us now discuss the opinions of different scholars' regarding its approaches. Robert Presthus says : "Because public administration is a generalized human activity concerned with ordering the man and materials required to achieve collective social ends, it has drawn widely from the various social sciences. . . .the emphasis has often been legal, historical and normative. Traditionally, the analysis of the field has reflected certain dominant contemporary trends in political science which is usually recognized as the parent discipline of the field. . . .however the discipline constitutes an amalgam

of all such styles, as parts of each are retained in each new wave of revision.” Prof. E.N. Gladden accepts the historical, process-oriented, legal and activities-oriented approaches as the leading approaches to the field of CPA. As Prof. Gladden said that there are many text-books on public administration, but no one with an accepted approach. Some writers prefer to concentrate upon explaining the administrative structure and processes connected with their own system of government – a predominantly descriptive approach. [Advanced Public Administration (vol. I) by R D Sharma]

Let us discuss here again Robert Presthus, who opined that perhaps the earliest approach to public administration may be designated as the legal and institutional approach. Largely based on the legal rights and obligations of government, this approach tended to emphasize formal relationships and the separation of powers among the three branches of government. Policy and administration were often dichotomized with the assumption that the role of administrators was almost entirely confined to merely carrying out policy designed by the formal political arm of government. This approach was not very much concerned with methodological questions and its generalizations were often based upon formal analysis of organizational structure and the constitutional delegation of authority and responsibility to the three major sectors of American government. [Advanced Public Administration (vol. I) by R D Sharma]

However, Fred W. Riggs is one of the most innovative scholars in the disciplines of Political Science and Public Administration. In 1963, when the Comparative Administration Group (CAG) was set up as a committee of the American Society for Public Administration, Prof. Riggs was made its first chairman and he remained in that position till 1970. During that period, under his leadership, the CAG was engaged in conducting cross-cultural studies on the multidimensional administrative problems of the emergent nations.

Amidst competing approaches, Riggs identifies three important shifts in emphasis in the study of CPA. These are :-

- (a) a shift from normative to empirical approaches;
- (b) a shift in emphasis from idiographic to nomothetic studies;
- (c) a shift in focus from non-ecological to ecological approaches.

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While the terminology of the first and third trends is commonly known, the terms “ideographic” and “nomothetic” are peculiarly Riggsian. “Ideographic” approaches concentrate on the “unique case — the historical episode or ‘case study’, the single agency or country, the bibliography or the ‘culture area’.” On the other hand, the “nomothetic” approach seeks “generalization, ‘laws’, hypothesis that assert regularities of behaviour, correlation with variables.”

4.4 Concept of ‘Ecology’

It has been discussed earlier that the word ‘ecology’ has been borrowed from biology, where it connotes the interdependence between the animal species and the natural environment. Sociologists used it to mean a study of man’s spatial relations in the urban settings. In the field of public administration, different writers emphasized its need. John M. Gaus stressed the importance and the need to employ the concept of ecology to study the necessary interdependence of public bureaucracy and its environment (cited in Arora, 1984). Similarly, Robert Dahl also emphasized the need for cross-cultural studies and laid stress on the impact of the environment on the administrative structure and behavior. However, it was in the 1950s that there emerged real and widespread interest in the study of relevance of ecology or environment in the field of public administration. During that period the US technical assistance programme was in its early period of growth and as a result, there was an emerging interest in the US in the study of administrative patterns of the newly independent countries in the post World War II period. And ultimately, it was Fred W. Riggs, who developed this concept in entirety. By 1961, Fred W. Riggs, in his book called ‘The Ecology of Public Administration’ had, from a comparative perspective, explored the interaction between public administration and the environment in which it develops (cited in Arora, 1984, p. 70).

Now, we will discuss in detail the Ecological approach to the study of CPA-

4.5 Ecological Approach

The word ‘ecology’ is borrowed from biology. In biology, ecology means the study of life in its surroundings. Ecological approach, as developed

by Fred W. Riggs explains the inter-relationship between a system and its environment. He strongly believes that one cannot understand any administrative system without a detailed knowledge of the environment in which it exists. This approach emphasizes the interactional patterns between public administrative systems and the social environment in which they operate. The ecological model formulated by Fred W. Riggs has been the most creative and at the same time a highly controversial model of administration in the developing countries. This approach is known as an alternative to the Weberian model. It is because Riggs, unlike Weber emphasized the environment and its reflection on the public administration. A social system is a vast network of interrelated parts, each one of which can be understood in relation to other parts and to the whole system. Administrative structure and behaviour being an inseparable and interacting part of the whole society can be understood in the context of the social system in which it is embedded. Thus, the interaction between a system and its environment is characterized as an “ecological” interaction, and such an interaction is the crux of the ecological approach.

Thus, from the above discussion, it is clear to us that by enunciating the Ecological approach, Riggs contributes to the enrichment of the study of comparative administrative studies in the developing countries. Fred W. Riggs is a contemporary theorist in the field of comparative public administration who has been primarily interested in conceptualizing on the interactions between administrative systems and their environment. He has particularly studied the differences in social, cultural, historical or political environment and their effect on administration. Thus, according to Riggs, an administrative system is influenced by the society of which it is a part and in turn it also influences the society at large.

Riggs distinguished between the agraria-industria models of societies. According to Riggs, there are societies that are predominantly or characteristically industrial and also some societies where the agrarian institutions predominate. These models were designed to provide a system of hypothetical categories for the classification and analysis of realities, including patterns of political and administrative transition. However, later Riggs himself abandoned the agraria-industria typology in favour of a new

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scheme of constructs dealing with “fused-prismatic-diffracted” societies. It needs mention here that inspite of some of its limitations, the agraria-industria typology contributed significantly in the field of Comparative Public Administration.

Another contribution of Fred W. Riggs is that he enunciated the typology of “fused, prismatic and diffracted” societies, which is based on the structural-functional approach. According to Riggs, those societies whose social structure is functionally diffuse, i.e., structure with almost no specialized rules, have been termed as ‘fused’. On the other hand, a ‘diffracted’ society is one which has highly functionally specific structures, i.e., those which carry out limited number of prescribed functions on account of their specialized character. In between the two polar types, comes the category of prismatic society where exists a high degree of ‘formalism’, ‘overlapping’ and ‘heterogeneity’. Let us discuss these basic features of a prismatic society :

- (a) Heterogeneity :- The first characteristics of a prismatic society is that there is a high degree of heterogeneity, i.e., different kinds of systems, practices, and opinions are present in such a society. Social change in this society is incomplete because there is a presence of fused as well as diffracted traits. In a prismatic society, there are urban areas with western style offices and the modern gadgets of administration. On the other hand, there also exist rural areas having traditional looks and outlooks with the village heads performing various political, administrative, religious and social roles.
- (b) Formalism :- Formalism is another feature of prismatic society. In a prismatic society, a great discrepancy between the formally prescribed norms and their practices prevails, whereas a fused and diffracted society is characterized by a high degree of realism. It connotes the extent to which ‘a discrepancy exists between the prescriptive and the descriptive; between the impression given by Constitution, laws and regulations, and actual practices of government and society. The greater the discrepancy between the formal and effective, the more formalistic is a system’ (Arora, 2000).

(c) Overlapping :- Overlapping, according to Riggs, refers to the co-existence of formally differentiated structures of a diffracted society with the undifferentiated structures of a fused society. In spite of new structures prevailing in the society, old structures still dominate various functional areas in the social system. Overlapping in a prismatic society has several noticeable dimensions which are conceptualized as nepotism, poly-communalism, the existence of “clects”, “poly-normativism”, lack of consensus and the separation of authority from control.

Riggs’ contributions to the study of Comparative Public Administration are worth recognising. His “prismatic sala” models and the value-neutral conceptualization of development have taken the cross-cultural administrative studies towards greater objectivity. His ideal typical models have encouraged several empirical studies on the administrative systems of developing countries. Thus, Riggs’ ecological approach and his analysis of the process of administrative development can provide essential guidelines to the policy-makers in the developing countries.

According to Riggs, Weber’s ideal-type construct of bureaucracy, is not particularly relevant to the study of developing societies because in this type of societies, administrative structures do not have the same degree of autonomy as their counterparts in many of the developed societies. Thus, according to Riggs, there is need to develop new conceptual constructs to study the societies, which have a mixture of both the primitive and modern structural characteristics. Weber’s bureaucratic model has been criticized by the critics and as Gouldner has pointed out that it has been created only out of elements which may be constant, regardless of varying social structures. The need to study the ecology of public administration has been emphasized by various scholars such as John M. Gaus, Robert A. Dahl, Roscoe Martin and Fred W. Riggs.

In 1973, F. W. Riggs wrote the book, Prismatic Society Revisited, where he revised his prismatic theory by replacing the one-dimensional approach with a two-dimensional approach.

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4.5.1 Significance of Ecological approach in the field of Public Administration:

Ramesh K. Arora and Augusto Ferreros have very nicely explained the significance of the ecological approach in the field of public administration. According to them, the basic premise of the ecological approach in comparative public administration is that the public bureaucracy may be regarded as one of the several basic institutions in a society and in order to understand its structures and functions, it must be studied in the context of its inter-relationship with the other institutions. Thus, the bureaucratic system is continually interacting with and getting affected by and feeding back upon the economic, political and socio-cultural subsystems in a society (cited in Arora, 1984, p.71). Thus, its importance lies in the fact that it helps us understand that administration shapes the environment and in turn gets affected by it. It needs to be understood that it is not a closed system and it receives feedback from the social system and accordingly responds to the demands put on it by the system. Riggs has highlighted the fact that only those studies are truly comparative which are empirical, nomothetic and ecological (Riggs, 1962). From this perspective, the administrative process may be viewed as a system having an environment with which it interacts and in which it operates (Riggs, 1962).

Riggs has very nicely emphasized the importance of this approach when he said that the nature of public administration in any country has to be examined in the context of its larger social setting. Riggs has attempted to analyse the interaction between the different sub-systems, be it political, social, cultural, economic and administrative.

Let us discuss here how different sub-systems interact within themselves:

Administration and political environment:- Both these two are interconnected and influence and gets influenced in turn. For example, the nature of the administrative system during the colonial regime was centralized and authoritarian because the political system was like that. Similarly, after independence, the administrative system became decentralized, democratic

and welfare-centric because soon after independence, such was the political environment where stress was given on democracy, development and decentralization. Thus, administration is immediately influenced by the political system.

Administration and economic environment:- Administration is also influenced by the economic set-up. For example, if a country is weak in economic resources i.e., has limited resources, then it becomes difficult for the administrators to implement different programmes and policies successfully. On the other hand, the administrators of developed country can successfully implement those programmes and policies because of the abundance of resources. Similarly, in a closed economy, the scope for administrators would be wider whereas, in an open economy, administration would have lesser scope as different other partners will also be involved here like private entrepreneurs and all. Also, if administration is done efficiently and effectively, then development and growth will be possible and thus the overall economy will be impacted positively. Thus, economic environment has a visible impact on administration and in turn public administration also influences the economy.

Administration and socio-cultural environment:- Both administration and socio-cultural environment are inter connected. For example, if problems like casteism, corruption, nepotism, favouritism etc are prevalent in the society, these will get reflected in the attitudes and functioning of the administrators and will thus adversely affect the whole administrative culture. Similarly, administration can help and positively can contribute towards social environment by formulating various policies for mitigating these social evils.

Thus, from the above discussion, it is clear that in line with the ecological approach, the comparative perspective of public administration aims at comparing the administrative structures of different countries in different cultural settings. The purpose of this comparison is to understand the universal elements in public administration and also to know whether the administrative practices in a particular country can be applicable to other countries or not.

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Self Assessment Question

Q. Do you think that India belongs to the class of prismatic societies?
Explain.

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4.5.2: Characteristic features of Fused, Diffracted and Prismatic Model:

The following are the characteristic features of Fused model:-

- It represents traditional societies.
- Agriculture is the main occupation and so, it is also known as agraria model.
- There prevails no differentiation of functions, that is, only one structure performs all the functions.
- Predominance of ascriptive, particularistic and diffuse patterns.
- Stable local groups and limited spatial mobility.
- Relatively simple and stable occupational differentiation.

The following are the features of diffracted model:-

- It represents the modern or developed societies.
- Predominance of universalistic, specific and achievement norms.
- High degree of social mobility.
- Well-developed occupational system, insulated from other social structures.
- Industry is the main occupation here and hence it is also known as 'Industria' model.
- Differentiation of functions is found here and thus, different structures perform different functions.
- Examples are the developed countries.

The following are the features of Prismatic model:-

- It represents developing or the transitional societies and is also known as transitia model.

- The features of both the fused and diffracted societies are found here and thus, it is neither totally fused nor totally diffracted but it is a combination of both.
- Examples are the developing countries.

The Prismatic society of Riggs exhibited three broad features of formalism, heterogeneity and overlapping, which we have already discussed above. Riggs also developed intermediate categories of pattern variables. Thus a prismatic society is characterized by “selectivism” (intermediate category between universalism and particularism), “attainment” (intermediate category between achievement and ascription), and “poly-functionalism” (intermediate category between functional specificity and functional diffuseness).

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Stop to consider:-

Prismatic administrative system: Sala Model:-

According to Riggs, the administrative unit in a diffracted society known as office or bureau has the mark of efficiency and rationality in administration. Whereas in a fused society, the administrative unit is known as chamber, and there is neither rationality nor efficiency. However, the administrative unit in a prismatic society is known as ‘Sala’ where we find the traits of administrative systems of both fused and diffracted societies. It is because here we have on one hand honest, efficient and rational administrators as found in the diffracted societies and on the other hand, corrupt, inefficient and irrational administrators of fused societies. Thus, Riggs opined that the power structure in a prismatic society has the tendency of over-centralization where the sala officials have a major role in decision-making which results in a lack of official responsiveness to public needs and wishes. Riggs has suggested the fact that there is an inverse ratio between the administrative output and the bureaucratic power. The more powerful the officials become, the less effective they will become as administrators. Thus, sala in prismatic society is characterized by nepotism in recruitment, institutionalized corruption, inefficiency in the administration of laws and by the motives of gaining power and of protecting its own interests.

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4.6 Critical appreciation:

From the above discussion it is clear to all of us that by enunciating the ecological approach, Riggs made a great effort in searching for an objective and effective model for analyzing public administration in developing regions. The most significant contribution of Riggs was creating the administrative models: the fused-prismatic-diffracted models. These models can be applied in the study of modern, traditional, developing and semi-developed economies. Riggs has always stressed or emphasized on the linkage between public administration and its environment and therefore helped us understand the fact that the administrative behavior in a particular society must be understood in the context of social background. Since the administrative culture is only a subculture of the general social system, public administration can only be understood from the aspects of the ecological background which creates such an administration. F. Heady once praised Riggs for his “wide range of knowledge and the depth of his theoretical viewpoints; he is one of the most represented theorists in modern society” (Heady, 1979). Since the publication of Fred W, Riggs’ article “Agraria and Industria: Toward a typology of Comparative Administration”, published in 1955, ‘The Ecology of Public Administration’ (1961) and ‘Administration in Developing Countries’ (1964), Riggs’ position and reputation has tremendously increased in the field of comparative public administration. However, critics have criticized too the Riggsian theory on some of the grounds: firstly, critics pointed out that the scope of the “fused-prismatic-diffracted model” being too broad and abstract, some scholars might denounce this kind of large-scale theory as middle-range theory. Moreover, in adopting a deductive process, these models have ignored the ultimate goal of public administration in its attempt to build a value-free science. But W. Wilson from the very beginning asserted the fact that the primary function of any public administration is to work efficiently and so, it is obvious that a public administration cannot and should not abandon certain values. Moreover, critics asserted that the notion that the environment alone can determine the administrative behavior should be avoided. Critics also criticized on the grounds like: Riggs has very liberally coined new terms to explain his model and also has given different meanings to the words already

in use but that created confusion instead of making things clear. Not only that, according to the critics, in order to provide a scientific temper to his model, Riggs has borrowed many of the terminologies from that of physical sciences but simply by borrowing these words from science doesn't make administration a science.

4.7 Prismatic Economy – the “Bazaar-Canteen” Model:

According to Riggs, a prismatic society is marked by “price indeterminacy” where it is not possible to determine a common price for a commodity or service. Thus, in other words, it can be said that the economic organizations in a prismatic society act like a subsidized canteen where goods and services are available at lower rates to the members of privileged groups and to the politically influential persons whereas, conversely, these are available at higher charges to the members of minority community. As a result of this price-indeterminacy, there emerges a bazaar like atmosphere in a prismatic society where exists considerable bargaining with regard to areas such as taxes, fees, rebates etc. In a diffracted society, government service is given at the same price to all the citizens without any distinction. But in a prismatic society, according to Riggs, the relationship between the public officials and their clients is that of sellers with their buyers. Thus, prices charged for a public service in a prismatic society vary according to the nature of the relationship between a public servant and his client. As we have discussed above already, that the services are sold at a preferential rate to the members of the dominant community or of inside clefts and conversely, services are sold at higher rates to outside clefts or to the members of deviant and minority communities. Thus, this price indeterminacy promotes a bazaar type atmosphere in a prismatic society.

4.8 Rigg’s Developmental Approach:

While presenting his concept of development, Riggs has taken the help of Structural-Functional Approach, Systems approach and the ecological approach. Development, according to Riggs, is a process of increasing autonomy (discretion) of social systems, made possible by rising levels of diffraction. According to him, Discretion is the ability to choose among alternatives whereas diffraction refers to the degree of differentiation

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and integration in a social system. Development is not the same as differentiation. Riggs has observed that differentiation leads to a key problem of effecting integration. Integration of the specialized roles can lead to development. Riggs hypothesizes that the more differentiated and integrated a society, the higher the level of development. Thus, Riggs has considered diffraction as the necessary and perhaps the sufficient condition for development.

Check Your Progress:

1. Evaluate the contribution of Fred Riggs towards the enrichment of comparative administrative studies in the developing countries.
2. Explain with illustrations Riggs' classification of societies into fused, diffracted and prismatic categories.
3. Discuss the characteristic features of prismatic society.

4.9 Summing Up:

Thus, from the above discussion, we can say that Riggs' contribution in the field of Comparative Public Administration can easily be rated as most outstanding one. His "prismatic-sala" models and the value-neutral conceptualization of development have taken the cross-cultural administrative studies towards greater objectivity and has encouraged several empirical studies on the administrative systems of the developing countries.

4.10 References and Suggested Readings:

1. Kumar, S. Ecological Approach to Public Administration. *Public Administration: Approaches and Applications*, 103.
2. Peng, W. S. (2008). A CRITIQUE OF FRED W. RIGGS' ECOLOGY OF PUBLIC ADMINISTRATION. *Public Administration Quarterly*, 528-548. (<https://www.jstor.org/stable/41288330>)
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Unit-5

Structural-Functional Approach to the study of CPA

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Unit Structure:

- 5.1 Introduction
- 5.2 Objectives
- 5.3 Structural-Functional Approach to the Study of CPA
 - 5.3.1 Structures in the Administrative System
 - 5.3.2 Functions in the Administrative System
- 5.4 Summing Up
- 5.5 References and Suggested Readings

5.1 Introduction:

There are various approaches to the study of comparative public administration. Different scholars have interpreted from different perspectives and as a result, different approaches have emerged in the field of comparative public administration. In this unit, we will make an endeavour to study the Structural-Functional Approach to the study of CPA in its entirety.

5.2 Objectives:

After reading this unit, you all will be able to:-

- *Understand* the significance of Structural-Functional Approach to the study of CPA.
- *Discuss* the various structures and functions in various administrative systems.

5.3 Structural-Functional Approach to the study of CPA

Another important approach in the field of comparative public administration is the Structural-Functional approach. The Structural-Functional approach signifies the study and analysis of structures and their functioning. This approach assumes the fact that for societal survival, there must be certain basic structures and functions within an organization. Thus, in the case of structural-functional analysis, one determines the important

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structures and then attempts to trace the functions of those structures. This concept has been borrowed in the field of public administration from that of Sociology and Biology with the efforts of Bertalanffy, Henderson, Cannon, Talcott Parsons and Marion Levy. Dwight Waldo first suggested it in 1955. In this approach, it is believed that all social structures perform some functions. The term “structure” may be defined as a pattern i.e., an observable uniformity, in terms of which action (or operation) takes place. Riggs cites the example of bureau as a structure. On the other hand, “function” involves “a pattern of interdependence between two or more structures, a relationship between variables.” It refers to any consequences of a structure in so far as they affect other structures or the total system of which they are a part. In public administration, structural-functional analysis is most commonly applied with particular reference to bureaucratic or administrative structures i.e., the civil services, federal services or national/state administrative machinery. Structural-functional analysis is, then, a form of systematic analysis which looks at political systems as coherent wholes which influence and are in turn influenced by their environments. So, from the above discussion, it is clear that this approach has been advocated successfully by Talcott Parsons, Robert K. Merton, Marion Levy Jr., Gabriel Almond and David Apter. In public administration, any governmental organization, department, ministry, corporation or board can be equated with a “system of actions” or “patterns of actions”. Thus, structures can be understood as forms with area dimensions, occupying space, encompassing assiculate or inassiculate components whether animate or inanimate entities, objects or persons. And in the field of social sciences, the functions are the relevant consequences of activity.intended or purposeful functions are called manifest functions but not all the functions are intended and those which are not intended are designated as latent ones. It needs mention here that the concepts of structure and function fall into a peculiar set of concepts and at times, what is a function from one point of view is a structure from another. (Advanced Public Administration, vol.I; R D Sharma)

Fred W. Riggs has identified five functional requisites for any society:

- a. Economic, (b) social, (c) communicational, (d) symbolic, and (e) political.

The same set of functional requisites applies to an administrative sub-system. However, the Riggsian analysis does not explain why only these functional requisites are chosen, nor does his analysis provide such categories a central place.

It needs mention here that a social structure may perform more than one function, and, likewise, a function may be performed by more than one structure. All kinds of functions may not be performed by the governmental structures in all the societies, yet the structural-functional approach assumes that certain basic structures and functioning are necessary as they are the requisites and pre-requisites for societal survival. All these premises make us understand that the structural-functional analysis obviates certain misconceptions like: (a) structures having resemblance to each other in different environmental settings perform similar functions; (b) the non-appearance of any particular structure implies the absence of some functions, or, (c) structures may be only unifunctional in character.

5.3.1 Structures in the Administrative System

In order to understand the approach properly, we need to know about the commonly available structures in the field of public administration which are like, the ministries or departments at the federal / national as well as the state level. Also, the Commissions, boards and authorities make structures. Moreover, in India, below the state level, we have corporations for urban areas and the district administrative systems. There are Zilla Parishads, panchayat samitis, cooperative societies and the village panchayats, which forms the public administrative system structures. Structural-functional analysis is thus a form of systematic analysis which looks at the political systems as a coherent whole where there is influence from both the ends i.e., it influence and in turn is influenced by their environments. As Almond said, there is the legitimate force present throughout a political system which binds it together and thus, a political system can be said to be characterized by the features of comprehensiveness, interdependence and existence of boundaries. Structures may be 'concrete' such as government departments and bureaus or they may be 'analytic' which means constructs abstracted from concrete reality such as structure

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of authority. It needs mention here that a single function may be fulfilled by a complex combination of structures. For example, a political party is a structure within the political system which can perform many functions. However, other structures such as pressure groups or formal institutions of the government may also carry out these functions and in other political systems, may carry out these functions even in the absence of political parties.

5.3.2 Functions in the Administrative System

It has already been pointed out earlier that all types of societies need some basic administrative structures and functions which are essential and necessary for the very existence and survival of these societies. According to Fred W Riggs, the following are identified as five functional requisites for any society: economic, social, communicational, symbolic and political. The same set of functional requisites applies to an administrative sub-system. Professor Merton informs us that the functional deficiencies of the official structure generate an alternative (unofficial) structure to fulfill existing needs. According to him, the social functions of an organization help determine the structure (including the recruitment of personnel involved in the structure), just as the structure helps determine the effectiveness with which the functions are fulfilled.

In the field of Public Administration, it was in 1955 that Dwight Waldo first suggested that structural-functional analysis might provide some guidance in the construction of a model of what an administrative system is like, and thereafter, this suggestion was followed by Fred W Riggs who came up with his 'agraria-industria' typology two years later. Since then, Riggs has used this approach in the field of comparative public administration, although other scholars have also been influenced by the structural-functionalism. This approach has brought the consciousness that the institutions and practices of the administrative systems of the western nations are not necessarily the best for all the systems. Rather there are various indigenous structures in the non-western nations, though seemingly dysfunctional from the western views but might prove 'functional' for their own particular social settings.

It needs mention here that by using the conceptions of input and output, we have moved from the concept of 'political' to that of the concept of 'system', which is characterized by a set of properties like, comprehensiveness, interdependence and existence of boundaries. The criterion of 'comprehensiveness' means that whenever we speak about political system, we include all the interactions – inputs as well as outputs – which affect the use or the threat of use of physical coercion. We include not only the structures based on law like Parliament, executives, bureaucracies and courts or just the associational or formally organized units like parties, interest groups and media of communication but also we include all of the structures in their political aspects including undifferentiated structures like kinship and lineage, status and caste groups, as well as anomic phenomena like riots, street demonstrations and the like. By 'interdependence' we mean that a change in one subset of interactions produces changes in all the other subsets. And by 'existence of boundary' in the political system, we mean that there are points where other systems end and the political system begins.

Since this approach revolves around the concept of 'system' as we have discussed above, so here, we will make an effort to understand the concept of 'system'. Fagen defines systems as a set of objects together with the relationships between the objects and between their attributes. Bertalanffy refers to a system as a set of elements standing in the interaction. Kast and Rosenzweig defines a system as an organized, unitary whole composed of two or more interdependent parts, components or sub-systems and delineated by identifiable boundaries from its environmental supra-system. Thus, from the above discussion we have understood the fact that a system denotes interdependency or interaction of the components or parts and an identifiable wholeness as very important dimensions in the organizational development. Thus, system like public administration organization are viewed as a linkage of input flows (energy, materials or information) from sources in the environment, a transforming mechanism from inputs to outputs and ultimately flows of outputs or outcomes, provided to users. (Advanced Public Administration, vol.I; R D Sharma)

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It needs mention here that the traditional theorists from Taylor to Weber laid emphasis on the mechanical aspects of work organization which is rather a simplistic view of efficiency, which they thought could be achieved by following certain specific principles. However, organizational realities have been investigated from time to time and as a result, different viewpoints have emerged. The structural-functional aspect, the technological aspect, the human or social-psychological aspect are some of the important aspects of organization has come to limelight. Divergent theories have thus emerged and a need has arisen of looking at the organization as a whole. Structural-functional approach stands on certain basic assumptions and postulates which are like:-

1. It takes the society as a single, inter-connected system each element of which performs a specific function. The basic feature of a system is the interaction of its components for the maintenance of its equilibrium.
2. If a society is a system as a whole, then it has its parts that are interrelated.
3. Underlying the whole social structure there are broad aims and principles that are observed by the members of the society.

As we have already discussed above, we know that as the very name suggests, the structural-functional approach basically revolves round two key concepts – structures and functions. The basic premise of structural-functionalism is to provide a consistent and integrated theory from which can be derived explanatory hypothesis relevant to all systems.

Let us discuss here the views of different thinkers in this field. Merton's special contribution to the approach is that he enunciated the doctrine of functions that may be 'manifest' or 'latent' and that may be in order (functional) or out of order (dys-functional). While the 'manifest functions' are those whose purposes and consequences are both intended and recognized, the 'latent functions' are those whose purposes and consequences are unintended. Merton's distinction between functions and dys-functions is based on the issue of the survival and disintegration of the system. While 'functions' help the system towards adaptation or adjustment, 'dys-functions' lessens the adaptation or adjustment process of a system.

Another most important name in this direction is that of Talcott Parsons who developed a comprehensive theoretical framework for the study of societies on the basis of structural-functional approach. Also, we can mention here about Mitchell, who in his work on American Political system offered four requisite functions that are performed by a polity – authoritative specification of the system goals, authoritative mobilization of resources to implement the goals, integration of the system and allocation of values and costs. Almond offers a systematic definition of the political system – within the framework of structural-functionalism – an analysis which looks at political systems as coherent wholes which influence and in turn are influenced by their environments. (J C Johari)

According to Almond, a political system has four characteristics and these are:-

- (i) Every political system has its structures, some of which may be more specialized performing more functions, while others may be less specialized performing less functions in it.
- (ii) Whatever differences may be between the system and its structures, the same political functions are performed in all the political systems.
- (iii) Political structures perform a number of functions that may be termed as ‘multifunctional’.
- (iv) All political systems being parts of the society as a whole have a culture of their own that is always a mixture of the traditional and the modern. (J C Johari)

The value of structural-functional analysis in the field of comparative analysis is that it is through this approach we can understand the success or failure of a system. If one political system can efficiently perform its functions under a set of given conditions, and another system cannot, we can understand about the efficiency level of a particular system.

Stop to Consider:

- (1) Analysis of Dahrendorf regarding the imperatives and requisites of structural-functionalism:-
 1. Every society is a relatively persistent, stable structure of elements.

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2. Every society is a well-integrated structure of elements.
3. Every element in a society has a function, i.e., it renders a contribution to its maintenance as a system.
4. Every functioning social structure is based on a consensus of values among its members.

(2) Almond's model of political system:-

Characteristics of political system:-

1. Comprehensiveness.
2. Interdependence.
3. Boundaries.

Properties of a political system:-

1. Universality of political systems.
2. Universality of political structures.
3. Universality of political functions.
4. Multifunctionality of political structures.
5. Culturally mixed character of political systems.

Functions of a political system:-

Input functions:-

1. Political Socialisation and recruitment – agencies of political socialization are the corresponding structures.
2. Interest articulation – Interest groups are the corresponding structures.
3. Interest aggregation – political parties are the corresponding structures.
4. Political Communication- means of communication are the corresponding structures.

Output functions:-

1. Rule-making – legislature.
2. Rule-application – Executive.
3. Rule-adjudication – Judiciary.

Self Assessment Question

Q. The Structural-functional approach in social sciences, particularly in public administration, was generally drawn from the Biological Science – explain.

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5.4 Summing Up:

We have discussed above the structural-functional approach to the study of comparative public administration and found that this approach believes that for survival each and every system needs to have certain basic structures and functions. By the mid-1960s, structural-functionalism marked a most striking shift in the domain of social sciences and it became a dominant model of inquiry and also a mode of explanation in the field of public administration. Since structural-functionalism is very much related to the system analysis, infact its regarded as an offshoot of the system analysis, we have also discussed about system and its properties in this particular unit.

Check Your Progress:

1. Analyse the features of the Structural-Functional approach and indicate to what extent it helps in understanding Comparative Public Administration.
2. Discuss the different approaches to the study of Comparative Public Administration with special reference to the Structural-functional approach.

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5.5 References and Suggested Readings:

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3. R D Sharma (vol.I); Advanced Public Administration.
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BLOCK: 2
SALIENT FEATURES OF ADMINISTRATIVE
SYSTEMS

Unit 1 : Salient Features of Administrative System of India

**Unit 2 : Salient Features of Administrative Systems of UK
and USA**

**Unit 3 : Merit System: concept, origin, development and
existing Status: Merit system in USA**

Unit 4 : Merit System in India

Unit 5 : Merit System in UK

Unit-I

Salient Features of Administrative System of India

Unit Structure:

- 1.1 Introduction
- 1.2 Objectives
- 1.3 Background of the Administrative System of India
- 1.4 Salient features of Administrative System of India
- 1.5 Recent trends in the Administrative System of India
- 1.6 Summing Up
- 1.7 References and Suggested Readings

1.1 Introduction:

We all know that each and every country has its own administrative system. The interrelationship between the state and the society is very intricate because the state is deeply embedded in the society. Thus, there is an interaction and interrelationship between an administrative system and its external environment. A political system is actually a sub-system of the society and so, any study of administrative system and its features can best be done only in the context of the totality of the environment in which it is embedded. In this unit, we will make an effort to study the salient features of administrative system of India.

1.2 Objectives:

After studying this particular unit, we will be able to:-

- *Understand* the historical background of Indian administrative system.
- *Discuss* the various salient features of administrative system of India.
- *Analyse* the recent trends in the administrative system of India.

1.3 Background of the Administrative System of India:

If we want to know in entirety about Indian administrative system, we need to look back into history. We find that we get a lot of information

regarding the organization and functions of Indian administration from the Vedic literatures, Buddhist treatises, Jain literatures, Dharmasastras, Puranas, Ramayana, Mahabharata, Manu Smriti, Arthasastra etc. From the reading of ancient Indian history, we find that the development of the ancient Indian administration had reached its peak during the reigns of Chandragupta Maurya and that of Asoka. Also, we find that there was emphasis on the decentralization process for the convenience of administration. Thus, we can say that the present Indian administrative system is the result of a rich legacy and continuity. Thus, we can say that the modern public administration and its features are based on the foundation of the traditional public administration. (N. Jayapalan)

It needs mention here that though the machinery of the government designed in Kautilya's 'Arthasastra' does not closely resemble our modern day polity, yet it reflects clearly some of the principles which form a part of our administrative system. For example, one important aspect of administration emphasized by Arthasastra was the notion of the Welfare State. It is evident from the fact that though it supports the concept of one-man rule, it is by all means a benevolent monarchy. Also, like Weber, Kautilya was keen on the aspects of efficiency and rationality of administration. However, the present Indian administrative structure is largely a legacy of the British rule in India. The forces of British Indian history left a lasting impact on the prevailing administrative system. (R K Arora)

Thus, as we have studied above, the most profound influence in the existing administrative system in India is that of the British rule. The most important legacy of the British rule in India was the creation of the Indian Civil Service. Another important contribution was the idea of competitive examinations to be conducted by an independent agency. Also, another substantial contribution was institutionalizing a training system. Moreover, the foundations of the contemporary police administration in India were also laid during the British rule particularly after the enactment of the Indian Police Act, 1861. The administrative spirit of the British rule is also evident in the field of judicial administration. Thus, it is obvious that the contemporary Indian administrative system has been built on its British heritage. For example, All India Services, Civil Services recruitment, administrative training,

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the secretariat system, office procedures, management of districts, revenue administration, police system. Budgeting, accounting, auditing and a number of other structural and functional areas of Indian administration have their roots in the British Rule.

We are making a historical analysis here because in order to understand the present administrative features, an appreciation of the past is very essential, even if done in rudimentary way. As we have seen that some of the present day administrative institutions do have historical origins, predating the British Raj. But since for a long period of time our country was under colonial rule, India chose to borrow a good deal from the British governmental system just as it did from many other Constitutions. Here, mention can also be made of Lord Ripon's Resolution of May 1882 which was the beginning of local self-government. Also, the Govt. of India Act, 1935, envisaged a federal form of government in India. In the words of A. B. Keith, "elaborate safeguards to secure in part that the existing civil servants shall not suffer through the political changes more than is inevitable and in part that future servants shall be recruited under conditions which will as far as possible maintain sound traditions." As a result, Article 311 protecting rights of civil servants got incorporated in our Constitution. (Krishna K. Tummala)

If we look at the evolution of the role of the state in India during the last fifty years, we get a clear picture of the changing scenario of the role of the state. Soon after India's independence, planned economy was accepted to pace up the developmental process. Thereafter, agricultural development was also given priority so that our country can attain self sufficiency. However, since 1990s, the state's role had to change from that of the principal investor to that of the facilitator of entrepreneurship, so as to pave the way for globalization. From a cursory look at the Indian scenario, it can be said that two trends are going on parallelly: firstly, to meet the demands of the world market; and secondly, attention is given on domestic issues like unemployment, poverty etc. (C P Barthwal and K Kishore)

1.4 Salient Features of Administrative System of India:

The following are some of the Salient features of administrative system of India:-

- (1) Federal in form but Unitary in spirit:- The Indian Constitution does not explicitly use the term 'federation' but Article 1 declares India as a 'union of states'. A federal polity has been devised by dividing the country into states and allocating them functions as specified in the Constitution. There is a clear division of powers between the centre and states, which is the basic criterion of every federal state. There are three lists of power, namely, the union list, the state list and the concurrent list. However, the Indian Constitution has a unitary bias. For example, after distributing the legislative powers in three lists (the union list, the state list and the concurrent list), the residuary powers (those not covered by the three lists) are left with the Union. Even in matters in the concurrent list, the union government has the final say. In a federation with a written Constitution, having distribution of powers between the centre and the states, there is the need of a judicial institution who will interpret the Constitution. In India, the Supreme Court has been made the custodian of our Constitution and has been empowered to decide disputes between the Centre and the States.
- (2) Parliamentary form of government:- The Indian Constitution has provided for a parliamentary form of government both at the centre and in the states. The President of the Indian union and the Governors of the states are constitutional rulers with nominal powers. However, the Prime Minister at the centre and the Chief Minister in the state are the real functionaries. Since our country for a long span of time was under colonial rule, so, there was experience in the parliamentary system of democracy and thus, after independence, this system was adopted. However, there has been a significant departure in the Indian system from its British model. For example, though we have parliamentary system of governance, yet we have the President who is the nominal or titular head. However, during the proclamation of emergency, the President can act as the real head of the nation.

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- (3) Independence of Judiciary:- The Supreme Court has been made the custodian of the fundamental rights and the guardian of the Constitution. Consequently, it has been granted with the power of judicial review by exercising which it can declare any law passed by the legislature or the Parliament or any ordinance issued by the executive as null and void if it contravenes any provision of the Constitution. In order to make the judiciary independent of the executive, several measures have been adopted in the Constitution.
- (4) Welfare administration:- In modern times, most of the countries have adopted the concept of a welfare state instead of a Police state. Our country too has adopted the welfare administration since independence. The Encyclopaedia of Social Sciences describes a welfare state as a state which takes up the responsibility to provide a minimum standard of subsistence to its citizens. If we look into our Constitution, we find that there are provisions to bring about welfare of all segments of population. Part III dealing with fundamental rights gives certain elementary rights thereby attempting to create a social order in which all citizens are equally free from the coercion and restrictions by the state. Thus, it puts a check on the absoluteness and prevents the government from becoming despotic. Also, part IV dealing with the Directive Principles of State Policy are a striking feature of our Constitution and though not enforceable by court, they are nevertheless fundamental in the governance of the country. These principles exhort the State to ensure for its people: adequate means of livelihood, fair distribution of wealth, decent standard of living, social and cultural opportunities, a uniform civil code, promotion of cottage industries etc. Thus, these principles outlined the ideal of a welfare state in our country. Moreover, to promote welfare, our country has embarked on the five years planning.
- (5) Representative and Secular Democracy:- The democratic Republic envisaged in the Constitution is not only political but also social democracy. In other words, it sets up not only a democratic form of government but also a democratic society where justice, liberty,

equality and fraternity prevails. Also, our Constitution provides for a secular political system and as a secular democracy, the Indian State does not discriminate against any citizen on the basis of religion and every citizen has been guaranteed to enjoy religious freedom. Thus, democracy and secularism are integrally related as two sides of the same coin of the modern Indian political system.

- (6) **Neutral Bureaucracy:-** As we have discussed above that our country since independence has embarked on the process of development, democracy and decentralization, it has been increasingly realized that various social welfare programmes require qualified and trained social welfare personnel to perform these welfare functions efficiently. That is why, emphasis has been given on neutral bureaucracy which means the civil servants should not have any political affiliations. Rather, they must be committed towards Constitutional goals and must render their service impartially and efficiently without any fear and favour.
- (7) **Rule of Law: -** One of the fundamental concept of modern democratic society is the “rule of law”. As Dicey opined, the rule of law applies equally to all the persons and it is important that the same laws universally apply without any discrimination, with the rule of law being paramount. This ‘rule of law’ is one of the key pillars of our Constitution. The concept of rule of law has been borrowed from England in our Constitution. The Preamble to the Constitution clearly sets out the principles of the rule of law emphasizing on justice, equality and freedom. Article 14 of our Constitution assures the equality before the law and also equal protection of the law. Moreover, all the laws passed by the legislature must be in accordance with the Constitution. If any law or executive order violates the provision of the Constitution, it can be declared as null and void by Indian Judiciary through the power of judicial review. Thus, the judiciary also ensures the preservation of the rule of law. For example, in the case of Indira Nehru Gandhi v/s Raj Narain, the court decided that the rule of law is a part of the basic structure of the Constitution and hence cannot be amended.

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Similarly, in other cases like that of case of State of Bihar v/s Sonawati Kumari, UOI v/s Raghbir Singh, the court upheld the concept of the rule of law.

- (8) **Accountable Administration:-** In India, various steps have been taken from time to time so as to bring about reforms to uphold accountability in the governance. Mention can be made here of Hota Committee's recommendations which highlighted on promoting the development of an accountability mechanism in the governmental departments based on clearly defined parameters for program implementation. The Santhanam Committee recommendations are also there. The RTI or the Right to Information Act, 2005, has been enacted to ensure transparency, answerability, and accountability of the government. Also, to ensure the financial accountability, there is CAG who ensures the government's financial accountability by auditing the expenditures incurred by different ministries and departments of the government. Also, the Central Vigilance Commission (CVC) ensures accountability of administration. The Department of Administration Reforms and Public Grievances (DARPG) launched the National Good Governance Index in 2021 to bring about accountability in our administrative set-up.

1.5 Recent trends in the Administrative System of India:

We have already studied in the second semester that the administrative culture of a particular country determines the working of the administrative system. If the administrative culture is good, then the administrative system works efficiently. Otherwise, if the administrative culture has some loopholes within it, then it adversely affects the performance of the entire administrative system. Also, we have noted above that the administrative system of India has been deeply influenced by the British legacy. However, globalization and other factors have led to the various changes in the administrative system and its features underwent changes from time to time. After independence, our country adopted the goals of development and democracy and in course of time, decentralization too.

These enormous launch of developmental paradigms posed certain new challenges to the system and it was felt that the civil servants need to be efficient so as to implement successfully all these developmental plans. Thus, after independence, the actual moulding of the bureaucracy started. India adopted the socialist philosophy and planning process and the bureaucracy was the real mechanism of the government to implement and execute its policies. The importance of the bureaucracy grew to a large extent with the assumption of new functions and responsibilities because it was no longer performing only the police and revenue collection duties but it was also involved in a large variety of developmental activities. And here came the challenge too because some of the bureaucrats came to think that it was omniscient. Moreover, the dangerous element of politicization came into existence when started the process of political interference in the internal working of the bureaucracy and consequently, the bureaucracy also started losing its political impartiality. Thus, the concept of neutrality and committed bureaucracy totally changed. Apart from the politicization of bureaucracy, there were several other reasons of corruption among the bureaucrats. Due to the adoption of the ideal of a welfare state, there was rapid multiplication of the functions of the state and as a result, regulations, control, licenses and permits were introduced which increased the new opportunities for corruption. However, there are some very honest and upright civil servants also who try to adhere to the concept of neutrality, thereby discharging their duties in efficient manner. Commenting on the responsibility, TN Chaturvedi, himself a distinguished member of the IAS said: The civil service has to undergo radical structural, procedural and attitudinal changes if it has to serve as an effective instrument of change and progress in a developing society. Thus, the progressive bureaucracy should not be old-fashioned but it need to have scientific view, and need to be progressive, innovative, reformist and revolutionary in nature.

Some other new shifts in the salient features of administrative system of our country include emphasis on good governance, New Public Management (NPM), decentralization, transparency, sustainable development etc. The new paradigm which emerged in the field of public administration has been styled as 'New Public Management' which emerged

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as a staunch advocate of a series of shifts of emphasis in the way in which public sector should be organized and managed. This new trend has emphasized on the use of private sector techniques in public sector administration so as to bring about efficiency and effectiveness in the domain of public administration. Actually, since the adoption of neo-liberal reforms in India in 1991, our public administration is facing severe challenges and complexities have grown and the administrative system needs to cope up with these growing challenges. As a result, new set of ideas emerged and there has been a shift of emphasis from government to that of governance and three actors namely the state, market and civil society are equally playing their respective roles.

Also, efforts have been given in promoting good governance in our country. Decentralization of authority and responsibility is regarded as a key factor in the realization of good governance and thus steps have been taken towards decentralization. The 73rd and 74th Constitutional amendments have ushered in the process of democratic decentralization in our country and thus provided opportunities for greater participation of the people in the governing process. However, it needs mention here that though panchayats have been established yet it is not functioning equally in all parts of the country. In some part of our country they are functioning effectively whereas in some others, they have not been able to function properly. We know that for the successful functioning of democratic decentralization, 3 Fs are needed: funds, functions and functionaries, and in the absence of funds, no developmental works can be carried. Thus, though democratic decentralization has come in India, yet it is still to be implemented properly. Not only that, emphasis has also been given on e-governance, transparency and sustainable development in our administrative system.

We have already noted above that efforts have been given in promoting good governance in our country. The concept of good governance has been given importance because it is associated with the efficient and effective administration. The Conference of Chief Secretaries held on November 1996 opined that there was a crisis in Indian administration and thereafter there is a need of redefining the role of the government and its functions. Also, the Conference held in May 1997 emphasized on the need

for making the administration accountable, citizen-friendly and also called for strengthening of the grievance redressal mechanisms. In this new millennium, the government would need to become more citizen-friendly and also there is the need of greater delegation and decentralization of authority and responsibilities. Also, in the post-independence era, the introduction of the Community Development Programme (CDP) in 1952 marked people's participation which would transform the socio-economic life of the people. Moreover, with the launching of anti-poverty programmes and setting up of district rural development agencies (DRDAs) and other related programs, steps have been taken towards promoting good governance. C. H. Hanumanth Rao's Working Group on District Planning (1983) and G.V.K Rao Committee (1985) was set up to review the existing administrative arrangements for rural development and poverty alleviation programmes, which gave recommendations for this purpose.

Also, efforts were taken towards promoting administrative reforms by introducing e-governance. A shift of focus has been noticed from the traditional production processes to that of the processes involving creation, storage, dissemination and the use of information. Thus, many of the organizations had to restructure themselves. The recent advances in information technology have opened up various opportunities so as to provide the basic governmental services to a much broader segment of the population.

Also, administrative corruption is seen in the system which poses as a serious obstacle in the path of administrative reforms. The increasing list of scams and scandals in the country shows that cases of corruption are increasing. It needs mention here that various laws have been framed from time to time so as to prevent or reduce corruption.

Moreover, the current phase of liberalization and globalization presented an entirely different genre of challenges before the administration and the slogan of less government and more governance came into prominence. In this new system, the private sector gained prominent role to play along with the public sector. Thus, the state and the private sector became partners in the process of growth and development and thus, public-private partnerships (PPP) came into existence.

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Stop to Consider:

Judicial Review and Judicial Activism in our Country:

These two are the prominent features of Indian administrative system. We know that an independent Judiciary having the power of ‘Judicial Review’ is a prominent feature of our Constitution. But in our Constitution, there is harmonization between the two concepts of parliamentary sovereignty and the power of judicial review. The Indian Constitution has adopted the via media between the American system of judicial supremacy and the English principle of parliamentary supremacy. It is because in our country the power of judicial review is restricted unlike USA where it is absolute.

On the other hand, the power of Judicial Activism indicates active judicial system as opposed to judicial passivism. It means an active interpretation of the existing legislation by the judiciary while dispensing justice. Since the establishment of courts as means of administering justice, we find innumerable such cases of judge-made law i.e., judicial interpretation of the already existing legislation which is done with a view to enhance the utility of that legislation for social betterment.

Self Assessment Question

Q. If we look at the evolution of the role of the state in India during the last fifty years, we get a clear picture of the changing scenario of the role of the state – explain.

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1.6 Summing Up

Thus, we have discussed above the salient features of the administrative system of India. We find that the largest influence on our administrative system is that of British administration. However, in course of time, in order to cope up with the changing circumstances, various changes came in the administrative practices.

Check Your Progress:

Q1. Discuss the salient features of the administrative system of India.

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Q2. Discuss the current trends in the administrative system of India.

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Unit-2

Salient features of administrative systems of UK and USA

Unit Structure:

- 2.1 Introduction
- 2.2 Objectives
- 2.3 Salient features of administrative system of UK
- 2.4 Salient features of administrative system of USA
- 2.5 Summing Up
- 2.6 References and Suggested Readings

2.1 Introduction:

Each and every country has their own administrative system and the features of each administrative system differ from the other. In this unit, we will try to study the salient features of the administrative systems of UK and USA. UK has a parliamentary democracy and USA has a presidential form of government. So, it will be an interesting study to make a comparative study of both the systems and their salient features.

2.2 Objectives:

After going through the unit, the learners will be able to:-

- *Discuss* the Salient features of administrative system of UK.
- *Describe* the Salient features of administrative system of USA.

2.3 Salient features of administrative system of UK

Since the administrative system of any country is dependent on its Constitution, so it is pertinent here to discuss the administrative system with special emphasis on the Constitutional features. British Constitution is a unique Constitution in several ways, because it is an unwritten and evolved Constitution. Prof. Munro describes it as the mother of all the Constitutions of the world. The following are some of the salient features of the administrative system of UK:-

- (1) **Unwritten and evolved Constitution:-** The British Constitution has never been codified in the form of a book and so, it is an unwritten Constitution. It is found in scattered form in various sources. Some of the very important parts of British Constitution like the Magna Carta, the Petition of Rights, the Bill of Rights and many other statutes of the British Parliament which relate to the Constitutional system are available in written form. Actually, the British Constitution is an evolved Constitution as it is the product of a gradual process of evolution. In the words of Ogg “The English Constitution is a living organism. It is always growing with a view to meeting the necessities of the people”.
- (2) **Liberal Democratic Political System:-** Britain has a liberal democratic political system because it has a well-organised system of parties and pressure groups which remains actively involved in the struggle for power. Some of the hall-marks of British liberal democratic system are the right to vote, contest elections, criticize the government, free expression of public opinion etc.
- (3) **Sovereignty of the British Parliament:-** British Parliament is a sovereign Parliament because it has the power to make laws and the laws made by the British Parliament can be changed only by the Parliament itself. Thus, it has the final power to make laws and there are no limits upon the Parliament’s law-making and Constituent powers.
- (4) **A Unitary system:-** The British Constitution is unitary but there is devolution of powers but all authority flows from the central government. The local areas derive their powers from the Acts of Parliament which may be enlarged or restricted at its will. Thus, we see that the Parliament is constitutionally supreme and the local government machine is merely an agent of the Central government.
- (5) **A Parliamentary Government:-** In Britain there is a Parliamentary form of government as distinct from the Presidential type of government. The Monarch is the titular head and the real functionaries

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are the ministers who belong to the majority party in Parliament and they remain in office so long as they can retain its confidence. The ministers are both the executive heads and also members of the Parliament and they co-ordinate both the legislative and executive departments of the government. The Cabinet is the core of the British Constitutional system and it plays an important role under the leadership of the Prime Minister.

(6) The Rule of Law and Civil Liberties:- One of the fundamental principles of the British Constitution is the Rule of Law, which means all are to be governed by the same set of laws. According to Lord Hewart, the Rule of Law means supremacy or dominance of law as distinguished from mere arbitrariness. It needs mention here that the rule of law has never been enacted as a statute but it is implicit in various Acts of Parliament, various judicial decisions and in the English common law. Thus, there is equality of all before the law.

(7) Neutral Bureaucracy:- The British Civil Service is known for being neutral and rigorously impartial. In a parliamentary democracy, all the departments are headed by a minister but a minister being a politician may not be well versed with the technicalities of administration. So the actual responsibility of running the day to day administration actually falls on the shoulder of the bureaucrats. It is the responsibility of the bureaucrats to provide the ministers with all the necessary information. Since the bureaucrats play such an important role, it is believed that they should shun off their political biasness but should strictly adhere to their responsibilities, irrespective of whichever party is in power. Neutrality means political impartiality or non-political nature of the civil service. The bureaucrats should tender free and frank advice to the political executives without any political consideration. Thus, neutrality is the hall-mark of civil service in UK. The concept of neutrality and impartiality in public service regardless of the person and party in power is central to the British Civil Service system.

(8) System of Departments:- The whole administrative works in UK administrative system has been divided into various departments. Each of the departments is required to look after their activities without interfering with others. Each department is headed by a minister who gives the necessary policy guidelines and at the administrative level, the department is headed by a bureaucrat who is responsible for implementing the policies formulated by the political executive.

(9) Institution of Monarchy:- Institution of Monarchy is there in UK. The Monarch is the titular head and the real functionaries are the ministers who belong to the majority party in Parliament and they remain in office so long as they can retain its confidence.

(10) A large number of conventions:- The Conventions of the Constitution, the name given by Dicey to the indefinite number of customs, traditions and precedents, forms an integral part of the British Constitution. These conventions are deep-rooted in the British administrative system. Yet they are nowhere written down in any formal document. Jennings has very rightly pointed out that the conventions, like most fundamental rules of any Constitution rest essentially upon the general acquiescence. Conventions are based on usage and their binding force like laws is derived from the willingness of the people to be so bound. Conventions were never formulated but they grew out of practice.

2.4 Salient Features of Administrative System of USA:

The Constitution of the United States is the oldest written Constitution in existence and also one of the shortest Constitution. The framers of the Constitution did not work out in details all the provisions but they sought merely a starting point and provided a skeleton to be clothed with flesh by customs, exigencies, national emergencies, economic development and various other factors affecting the welfare of the nation. Thus, the American Constitution is a living document, growing, developing and expanding with time. Gladstone called the Constitution of the United

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States “the most wonderful work ever struck off at a given time by the brain and purpose of man.” Let us now have a look at the salient features of the administrative system of USA:-

- 1. Presidential type of Government:-** The system of government in USA is quite different from that of the parliamentary democracy. In USA, the institutions of government are separated whereas there is fusion of governmental institutions in Britain. The framers of the USA Constitution wanted to establish an energetic yet dignified executive who is capable of enforcing laws firmly and one that should lend a note of stability. Hence, USA has a presidential type of government. The President is the single executive and he combines the functions of the Head of the State and Head of the Government. He is responsible to the people who elected him and also to the Constitution to which he swears allegiance. He has no seat in the legislature and is not accountable to the same. He appoints the secretaries and makes his Cabinet who are the President’s nominees and they are appointed by him and are responsible to him. The executive department is, therefore, independent of the legislature and as such, this system of government is quite different from the parliamentary system.
- 2. Separation of Powers:-** The three functions of the government – legislative, executive and judicial – are vested in separate organs. Thus, there is separation of the three branches of the government in order to prevent tyranny and absolutism. However, in the Constitution, there is no direct statement of the doctrine of separation of powers. It is inferred from the opening sentences of each of the Constitution’s three Articles. Article one says: “All legislative powers herein granted shall be vested in a Congress of the United States....” Article two states that: “The executive power shall be vested in a President of the United States of America. . .” Article three states: “The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish. . .” Thus, the framers of the

Constitution wanted that the operation of each of the three processes of government should be entrusted to a separate agency. Thus, the doctrine of separation of powers states that the legislative process be operated by an independent Congress, the executive process by an independent President and the judicial process by an independent Supreme Court and subordinate courts.

- 3. Checks and Balances:-** Though there is separation of powers in USA, it has been realized that an absolute separation of the three departments of government would make the government itself impossible. Madison, who was the ardent advocate of the doctrine of separation of powers, admitted that the principle does not require that the legislative, executive and judiciary departments should be wholly unconnected with each other. It was ultimately felt that unlimited power is dangerous and might lead to tyranny, unless there is check to power. The framers accordingly introduced modification to the doctrine of separation of powers when they came to details by setting up 'checks and balances', thereby introducing a considerable amount of checking of the affairs of each branch by the other two. The object was to make exercise of power limited, controlled and diffused. The legislative branch is checked by the President through his veto power. The legislative department, in turn, checks the executive through its power to appropriate money and to impeach. The senate confirms the appointments made by the President and also approves treaties made by him. The president can declare war on the authority and approval of the Congress. Similarly, the Congress may remove federal judges from office. The president is empowered to appoint judges of the Supreme Court. No feature of American government, writes Frederic Ogg, is more characteristic than the separation of powers combined with the precautionary checks and balances.
- 4. Judicial Review:-** As a natural corollary to the twin doctrines of a limited government and separation of powers, there developed the doctrine of judicial review, through which the courts has the power

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of annulling any legislative measure or executive action which in their opinion goes beyond the Constitution. Thus, the federal judiciary acts as a guardian of the Constitution.

5. **A Federal System:-** The fathers of the Constitution established a dual system of government. There is the national government with a complete set of its own governmental agencies of legislative, executive and judicial, exercising powers given by the Constitution. Paralleling this system, in each state, there is another complete set of legislative, executive and judicial organs. Residuary powers rests with the state governments. Each of these two sets of government is autonomous and independent within its own sphere.
6. **A Limited Government:-** The Constitution makers had a horror of unlimited powers and thus the powers of the government is set forth in the written documents. The Constitution imposed certain positive restraints on all the public authorities in the country. These limitations are designed so as to protect the individuals against arbitrary encroachment by the government officials.
7. **Collective Bargaining:-** This is another prominent feature in USA administration because the civil servants are accorded with the power of collective bargaining. Thus, trade union system has become an integral part of the administrative system in USA.
8. **Departments of Administration:-** In USA, the Congress has been given power by the Constitution to appoint officers for administration and on this basis, the Congress creates departments, Commissions and other federal authorities. There are certain departments headed by the Secretaries, namely, the departments of State, Treasury, Defence, Justice, Agriculture, Commerce, Labour, Transportation, Health, Education and Welfare, Housing and Urban Development and so on. These departments are functionally organized and are immediately below the chief executive i.e., the President. However, the details of these departmental organizations are regulated by the Congress. It needs mention here that the administrative departments

and agencies differ in size. Not only that, the various departments and the agencies also differ in their organization as some departments are headed by individuals whereas, the others have boards. Thus, in US administrative system, the board and commission type of organization is widely used.

- 9. Independent Regulatory Commission:-** These Independent Regulatory Commission are a peculiar feature of the US administrative system. The need for such Commissions was felt on account of the growing industrialization and urbanization of the country during the 19th century. It was then that the government felt the need to regulate the private economic activities. For the first time it was in 1887 that the federal government set up the Inter-State Commerce Commission. Some other important commissions are like: The Federal Trade Commission, the Federal Communications Commission, the Federal Power Commission, the Securities and Exchange Commission, Nuclear Regulatory Commission and so on. The main prominent functions of these Commissions are :- (a) to set standards, rules and regulations to govern the behaviour of a particular industry; (b) to enforce these standards, rules and regulations and accordingly to prosecute the defaulters; (c) to regulate the economic activities. Thus, we can understand that these commissions enjoy both the powers to make administrative legislation and also to adjudicate administrative disputes. We have understood from the above discussion that the functions of these Independent Regulatory Commissions are of a mixed nature as it performs a myriad of administrative, quasi-legislative and quasi-judicial functions. On account of their important role they have been called as the fourth branch of the government. They do not fit into any of the three traditional branches of the government and are staffed by the experts. The commissions are set up under a statute passed by the Congress who has the power to order an investigation into their working and operations.

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10. Public Corporations in the USA:- Another important feature of US administrative system is the public corporations, which were created for the purposes like: (a) during the depression, to facilitate the extension of credit to the financially needy banking, insurance, transportation, manufacturing and the other private companies; (b) to carry on enterprises of a business or commercial nature; (c) to deal with emergency problems that arose in certain industries which necessitated governmental intervention.

So, from the above discussion, we have understood the fact that the US Constitution which is the supreme law of the land, divides the governmental powers between the national/federal government and the states. Thus, the American Constitution is based on the theory of separation of powers. The Congress is the seat of legislative power and it is represented by two houses : Senate and The House of Representatives. It is granted with a wide range of powers. The Constitution has similarly entrusted the executive powers in the President and the judicial power is vested in the Supreme Court followed by lower federal courts.

Stop to Consider:

Various Independent Regulatory Commissions are like:- Inter-State Commerce Commission, 1887, Board of Governors of Federal Reserve System, 1913, Federal Trade Commission, 1914, Federal Communication Commission, 1934, Federal Power Commission, 1930, Securities and Exchange Commission, 1934, National Labor Relations Board, 1935, United States Maritime Commission, 1936, Civil Aeronautics Board, 1938 and 1940.

Self Assessment Question

Q. The system of government in USA is quite different from that of the parliamentary democracy. Discuss.

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Stop to Consider:

Growth of the US Constitution:-

The Constitution as it emerged out of the Philadelphia Convention was a brief document. But since then, the Constitution has been steadily developing and expanding, thereby adapting itself to the new situations. Thus, US Constitution is a living Constitution capable of flexibility and adaptability so as to cater to the expanding needs of the people and the country. The following factors helped in the growth of US Constitution:- development by statutes, development by executive, development by interpretations, development by usage, growth by amendment etc.

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Check Your Progress:

1. Make a comparative study of the salient features of the administrative systems of India and USA.
2. Examine the role of the US President in administration and compare it with that of the President of India.
3. Discuss critically the salient features of the administrative system of USA.

2.5 Summing Up:

Thus, from the above discussion, we have gathered the idea that the administrative system of each country is unique because it is the product of various factors like historical experiences and the cultural, social, economic and the political environment of that country. Also it is true that an administrative system might function efficiently in a country but it may not succeed in another. Thus, we can say that there is no system which can be uniformly good for all the countries. Above we have discussed the salient features of both the administrative systems of UK and USA. We have come to know that UK has a parliamentary democratic system whereas, USA has a presidential system of governance.

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Unit-3

Merit System: Concept, Origin, Development and Existing Status: Merit System in USA

Unit Structure:

- 3.1 Introduction
- 3.2 Objectives
- 3.3 Meaning and significance of Merit system
- 3.4 Merit system in USA
 - 3.4.1 Stages in the Evolution of Merit System in USA
 - 3.4.2 Spoils System
 - 3.4.3 Motives of the Spoils System
 - 3.4.4 Defects of the Spoils System
 - 3.4.5 Civil Service from 1883 Onwards
 - 3.4.6 Recent Developments
- 3.5 The Civil Service Reform Act of 1978 and thereafter
- 3.6 Summing Up
- 3.7 References and Suggested Readings

3.1 Introduction

Efficiency of administrative organization to a great extent depends on the efficiency of the personnel who manage it. Thus, on the competence of the civil servants depends the efficient administration of any country. An efficient civil service provides an effective instrument for a sound and democratic administration. A network of civil services manned by competent and dedicated civil servants is essential for achieving the welfare objectives set by the state. This demands that the civil servants should be recruited purely on the basis of merit. Selection on the basis of merit not only ensures equality of opportunity for all the citizens to participate in the administration of their country but it also enhances public confidence in the administrative machinery. Merit system helps to eliminate nepotism, favouritism, political influence in the selection process and places a premium on competence and ability, as demonstrated in the competitive tests. Thus, Merit system, in short, means a system in which the appointment and conditions of service

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of an employee are determined solely at his/her intrinsic merit which includes his/her educational and technical qualifications, personal capacities and qualities and physical fitness, judged through set standards and objective tests. Such a system obviously draws out public administration from the ill effects of political intrigues and personal caprices and places it on the scientific, impersonal basis of administrative science. Merit system not only brings efficiency in the administration, but also brings out a purification of political life, and removes the temptation from the government employees to misuse their powers for personal or party ends. It gives them a security of service and thus generates in them a sense of public duty and loyalty towards the state, which helps the state to attain high degree of efficiency and economy. Since merit system plays a vital role in the administrative development, different countries have adopted this system in course of time. In this unit, we will focus our attention on the evolution of merit system in USA.

3.2 Objectives

This unit is an endeavour to introduce you to the concept of merit system and its evolution in USA. After reading this unit, you will be able to:

- *understand* the meaning of the concept of merit system
- *analyse* the importance of merit system in the public personnel system of different countries
- *evaluate* the evolution of merit system in USA.

3.3 Meaning and Significance of Merit System:

As we have already discussed in the introduction, we know that the merit system helps to promote efficiency through the selection and development of the best available staff, thereby weeding out the incompetent from the system. It serves as an instrument of democratic government because it gives citizens the opportunity for a career in the public service on the basis of their qualifications and performance. It needs mention here that an effective personnel administration is not achieved merely by establishing an organizational structure but it is achieved through the continuing and resourceful application of sound principles and practical techniques on day

to day basis. <Aronson, A. H. (1950). Merit System Objectives and Realities. *Soc. Sec. Bull.*, 13, 3>.

Stahl (1962) defined merit system as “a personnel system in which comparative merit or achievement governs each individual’s selection and progress in the service and in which the conditions and rewards of performance contribute to the competency and the continuity of the service.” Bernard Rosen (1975) defined merit system in the selection context when he said that “merit system is fair and orderly process for hiring, paying, developing, promoting, retaining, disciplining, and retiring people on the basis of ability and performance.” Thus, it is the antithesis of employment based on the racial, ethnic or religious preference, political reward and discrimination based on sex, personal favouritism etc. Nigro and Nigro (1994) discussed merit as “In application, the merit principle dictates that appointments, promotions, and other personnel actions should be taken exclusively on the basis of the employees’ relative ability and job performance.” Mc Court again defined merit in simple way when he said that merit referred to the best person in appropriate position. It needs mention here that the reformation in the civil management system is a part of administrative reform so as to improve the governance to be good governance. The main goals of these reforms are to create transparent, accountable and clean governance. Civil servants have the important position to create good or bad governance (BKN Magazine, 2015). And thus, utmost stress is given on merit system in all the administrative systems. <Ali, D. M., Prasojo, E., & Jannah, L. M. (2017)>.

3.4 Merit System in USA :

Generally known as the home of ‘spoils system’, the selection to the civil service in America was based not on merit but on political consideration. Offices of the state were distributed among the supporters of the victorious political party as a booty. The ‘spoils system’ had a great corrupting influence on the socio-political life of the country. Thereafter, many individuals and organizations took up the question of the reform of civil service. The result was that in 1883 the Congress passed a very important civil service measure, commonly known as the Pendleton Act,

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which from that day onwards, though with frequent amendments, has served as the fundamental law governing admission to the national civil service. Thus, in USA, the civil service system or the merit system was introduced in January 1883. Prior to this, spoils system prevailed in USA. It is to be noted here that spoils system has not completely disappeared from USA. But, it should be said here that merit system has come to occupy the place of pride in the personnel system of USA. Today, majority of the civil servants hold their status on the basis of demonstrated merit in USA. Now, let us look into the detail as to how the merit system substituted the spoils system in USA.

3.4.1 Stages in the Evolution of Merit System in USA

The system of spoils that began on a minor scale with Washington, Jefferson and Adams, became a torrent in 1829 when Jackson came into office, and from that time until 1883 swept through all the offices of government, without any legal hindrance, and most usually without moral inhibitions. At the national level, the first application of the principle of basing appointments on ability came very early, indeed, with the first six presidents. From George Washington to John Quincy Adams, the policy was to fill federal jobs with competent persons, although political factors were also taken into account at times. Till 1800, the spoils system did not spread that much to the national level. Actually, in USA, the spoils system was a by-product of the party system. The first President, George Washington set the tradition of making appointments to administrative offices on the basis of competence or “fitness for office”. But, with the emergence of political parties, the need for political considerations in appointments began to be felt. John Adams, who succeeded Washington was a party man, but he maintained to a considerable extent the principles advocated by his predecessors. But, the advent of Jefferson marked the first change in American Public Personnel practice. Though he agreed with his predecessors, but at the same time, he was also aware of the political significance of the power of appointment. With him the system of spoils started and the requirement of party loyalty rather than fitness for office became the prime criterion for public employment. The real boost to the

spoils system was given by a Congressional Act of 1810, which paved the way for rotation in office with the change in administration.

An era of unrestricted patronage was ushered in on the national level by President Jackson's administration of spoils system in 1829. Andrew Jackson's views on public personnel policy differed in important respects from those of his predecessors. He wanted to democratize the service and open it to all segments of the society. Andrew Jackson advanced the following four main arguments in support of spoils system :

- (a) administration of government is a simple process and any person of normal intelligence and industry is capable of performing administrative duties.
- (b) democratic principles support the idea of rotation in office which provides opportunities for a much greater number of people to participate in administration.
- (c) when office-holders remain in office for long years, they are corrupted by a sense of power dangerous to the existence of democracy. That is, more is lost by the long continuance of men in office than is generally gained by their experience.
- (d) democracy is promoted by party appointments of newly elected officials.

Thus, unfortunately, the long-term effect of Jackson's public service philosophy opened the gates for the spoils system in USA, and it prevailed at all the levels of government until 1883.

"To the victors belong the spoils of the enemy" was the slogan issued by senator William L. Mercy in 1832 and ever since the expression gained wide currency. Spoils or political appointments had become the accepted order of things in the national, state and municipal administrations.

The progressive degradation and degeneration of public life under the spoils system called forth a movement in the late 1860s which demanded a reform of civil service in the name of government efficiency and public morals. Thereafter, throughout the 1870s and 1880s the movement for civil service reform gained momentum. It can be said that in the years following the civil war (1861) the movement for civil service reform gained momentum.

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The real father of the movement was George William Curtis, who with a small band of idealists, proposed a solution to the problem. Another important factor in this development was the report on the British Civil Service prepared by Dorman B. Eaton, who had been commissioned by President Hayes, a champion of reform, to survey the British service, with special reference to the applicability of British methods to the USA. Meanwhile, the assassination of President Garfield by a disappointed office seeker resulted in the passing of the Civil Service Act of 1883. Thus, success came to the moral crusade in 1883 with the passage of the Pendleton Act.

Thus, from the above discussion, it is clear that since public administration in USA was ridden by inefficiency, corruption and graft, under spoils system, the scholars of public administration took this clue to advocate the introduction of the merit system in the public services. Even political parties had taken up the cause of civil service reform in earnest. They demanded that corrupt men should be expelled from office and superfluous offices should be abolished. Moreover, the death of President Garfield in 1881 by a disappointed office-seeker clinched the issue. Moreover, in 1881, the National League for Civil Service Reform had been established. However, as we have mentioned, the immediate cause of substitution of spoils system by the merit system was the assassination of President Garfield by a disgruntled office-seeker. This event highlighted the shortcomings of the spoils system. Therefore, the Congress passed the Civil Service Act in 1883. This Act abolished the spoils system and introduced the merit system in its place.

3.4.2 Spoils System

We have already understood from the above discussion that in USA, the Spoils system was a by-product of the party system. The United States was the last to have a system of civil service. Until 1883, it followed the 'spoils system', according to which all judicial and administrative offices used to go as 'spoils' of war of the presidential election to the victorious party. The Spoils system held its sway for a long time in USA. Its origin goes back to the days of Washington, Jefferson and Adams. Initially it operated on a very limited scale. During the days of President Jackson, the Spoils

system was accorded the status of a political doctrine and the principle of rotation of the employees in office was advocated. After Jackson, other Presidents too followed his footsteps. President Lincoln also made many political appointments to boost up his influence. Since he was waging a war against confederacy, he was badly in need of support in the northern states. Nevertheless, he was quite conscious of the dangers of the Spoils system. One day having seen a large crowd eager for appointments, he observed that the Spoils system might in the course of time become far more dangerous to the Republic than the rebellion itself.

The American society was undergoing significant changes as a result of industrialization. The responsibility of the government officials was not simple and certain quarters started harbouring a suspicion that the person appointed on political consideration might not be in a position to discharge the responsibilities of the offices ably. People held the Spoils system responsible for the prevailing corruption in the federal system. Accordingly, demands were made for reform in the civil service. During the presidency of Grant, corruption was widely prevalent in the federal services. The employees appointed on political consideration committed irregularities and indulged in activities intended to cheat the government for party consideration. In order to improve the government, reform in the civil service was necessary. Such state of affairs continued till 1883 without facing any moral or legal impediments. It came to an end in 1883 when the Congress passed the Pendleton Act. It provided for the establishment of the Civil Service Commission and substituted merit as the basis of appointment in the public service in place of political appointments.

3.4.3 Motives of the Spoils System

America is the traditional home of the spoils system and the chief motive behind it was the American's faith in the democratic principle that "no man has any more right to official station than another." Democracy stands for equality of right and opportunity. Therefore, every citizen must be given the fullest opportunity to serve the state, there being no difference between the political and administrative offices. Thus, democratic urge was the first motive behind the spoils system.

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Secondly, coupled with the democratic motive is the personal motive which works in favour of the spoils system. “Spontaneous friendliness, conviviality, and generosity”, as Dr. Finer has said, “produced and produces spoils”. Moreover, the use of nepotism gave the officials a class of loyal and obedient subordinates who would always stand by their masters.

Thirdly, the spoils system was in consonance with the system of party government. The policy laid down by a party government can be best executed by the party officials. It is argued that an incompetent supporter is better than a competent opponent because the opponent may execute the law in its form but not in its spirit and may thus defeat its whole purpose.

Fourthly, the theory of ‘rotation of office’ also favours the spoils system. And this theory is upheld as an effective “means of stopping government from becoming a caste alien to the people, a means of maintaining the responsibility of officials to the people, and in a democracy, based on the idea of the freedom and equality of citizens, it was claimed that all should have an opportunity.” Ellbridge Gerry said that rotation “keeps the mind of man in equilibrium, and teaches him the feelings of the governed, and better qualifies him to govern in turn.”

3.4.4 Defects of the Spoils System

Despite these sound motives, the spoils system has been a bane on efficient administration. Summing up the effects of this system upon American life, Dr. Finer has said, “sheer inefficiency was the first result; an increase in public costs the second; the creation of a class of office-seekers the third; political corruption the fourth; a standing battle between the President and the Senate for the control of appointments and removals a fifth; and a terrific waste of time and labour on the part of the President and heads of departments, coupled with the real pain of refusal of applications for office, the sixth.”

The more far-reaching effect of this system can be seen in the political life of the nation. It causes a profound degradation of the life of the politicians, public servants and even the common citizen. The spirit of public service is replaced by selfish interests.

In administration, sound principles of efficiency and economy are thrown to the winds and their place is taken by party considerations, group adjustments and personal caprice. National interests are thus completely ignored and neglected.

But, the worst evil of the system is that it is too hard to change it even when the whole nation is convinced of its pitfalls, because it creates vested interests, in public offices of the major political parties. That is why, America has not yet been able to completely get rid of this system, although the movement for civil service reform has been going on since the early half of the 19th century.

However, the defects of the spoils system can be discussed under the following points:

- (1) **Inefficiency in Administration:-** As a result of the spoils system, most of the officials fell into the hands of the politicians. With the election of new President, the old incumbents were thrown out to make room for the new ones leading to lack of continuity in administration and promoted inefficiency in administration.
- (2) **Increase in Governmental Expenditure:-** The administration had to face the extra bill in making fresh appointments after having removed those who served under the outgoing administration.
- (3) **Creation of a class of persons eager for government appointments:-** As a result of the spoils system, there emerged a class of people who were ever eager to seek governmental appointments through political pressure.
- (4) **Political corruption:-** Spoils system also encouraged political corruption. Those who held their position because of political consideration, could hardly be expected to be impartial.
- (5) **Conflict between Senate and the President in matters of appointment:-** There was a constant state of tension between the Senate and the President regarding appointments and dismissals. Both sides tried to maximize their control in these matters.

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(6) Wastage of time of the President and the head of the departments:- The President and the head of departments had to waste their time in disposing of claims of the persons eager to enter into the government service.

(7) Pollution of the environment:- Spoils system totally polluted the political environment and thus resulted in degradation of political life.

Thus, we have discussed the various defects of the Spoils system. It was as a result of these defects that ultimately Spoils system was substituted by merit system.

Self Assessment Question

Q. The spoils system has been a bane on efficient administration. Explain the statement.

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3.4.5 Civil Service from 1883 Onwards :

The Pendleton Act of 1883 was a direct result of the assassination of President James Garfield by a disappointed office-seeker. The Act brought to a close the period of Jacksonian spoils which made governmental employment a reward for political activity. The Pendleton Act turned the tide in favour of employment by merit, which, despite occasional lapses, had spread to all levels of government. The Pendleton Act extended the merit principle to only 10% of the national employees, but later laws and executive orders extended coverage to more than 90% of the employees.

The Civil Service Act of 1883 provided for the following :

- (1) The President was authorized to institute a Civil Service Commission, comprising three persons. The Commissioners were to be appointed by the President subject to Senatorial

confirmation. Not more than two of the commissioners would belong to the same party. This led to the development of the Commission as a by-party organization. The Commissioners were to serve for a term of 6 years.

- (2) Their duty is to aid the President, as he may request, in preparing suitable rules to carry the Act into effect.

These rules shall provide for the following, “as early as the conditions of good administration will warrant” :

- (a) Open competitive examination to test the fitness of applicants for the public service now classified or to be classified.
 - (b) The examinations to be practical in character and to be related with the duties of the service into which the applicants seek to be appointed.
 - (c) The offices of each class to be filled by those graded highest at the examinations.
 - (d) The offices in Washington to be apportioned among the various states and territories on the basis of their population.
 - (e) A period of probation to precede final confirmed appointment.
 - (f) The Commission to conduct the examinations make an annual report to the President for transmission to Congress, giving among other things, suggestions for the more effectual accomplishment of the Act.
- (3) Excluded from the purview of the Act are labourers and workmen and persons nominated for confirmation by the Senate. Thus, the merit principle applies to ‘classified’ positions.

After the Act was promulgated, no person could be appointed to any government post without having passed test conducted by the Civil Service Commission. The United States Civil Service Commission is by all odds the largest and most highly organized central personnel establishment

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in the modern government. Its functions cover recruitment, examination of job evaluation, training and the administration of personal investigations and retirement and insurance systems.

It should be noted here that the US Civil Service Commission is an extra-constitutional body created by the Civil Service Act of 1883. It is not merely a recruiting agency, it may be called a central personnel agency. It is to be noted here that the first Civil Service systems were poorly funded and struggled to survive. Besides being limited in coverage, they were narrow gauged.

3.4.6 Recent Developments

The Central Personnel Agency in the USA was the Civil Service Commission established in 1883, under the Pendleton Act to reform the evils of spoils system. However, the US Civil Service Commission lost its effectiveness in providing staff support to the President in personnel matters and in protecting the merit system.

In 1940, the Congress passed the Ramspeck Act to encourage President Roosevelt to bring more and more positions under the federal government within the purview of the merit system. This Act authorizes the president to place by an executive order, nearly all federal positions under the civil service system. This Act is considered to be the culmination of the civil service reforms initiated in 1883 by the Pendleton Act. The Presidents since 1940 have used this authority to broaden the coverage of the civil service laws. Earlier in 1938, Franklin D. Roosevelt issued an executive order requiring the principal administrative agencies to establish bonafide, professionally staffed personnel offices. Roosevelt's order signalled the arrival of modern personnel administration, based on the efficiency approach. Thus, by 1951, the proportion of the services operated under the merit plan rose to approximately 92%. In the most recent period of American history beginning with the 1960s, the changes have been so great that it can be said that a "new public personnel administration" has been created. Collective bargaining was spread and the merit system became inclusive. A big boost for the merit principle came with the passage of the Intergovernmental

Personnel Act of 1970 (IPA). Thus, the civil service reform movement which began modestly in the 60s of the last century has now come to embrace the bulk of the federal services.

However, the Civil Service Reforms Act of 1978 represents the most comprehensive overhaul of the federal bureaucracy since the Civil Service system was established in 1883. Under this Act, the Federal Civil Service Commission was abolished with effect from January 1979. Its responsibilities were distributed into the following agencies :-

- (A) Office of Personnel Management.
- (B) Merit system Protection Board.
- (C) Federal Labour Relation Authority.
- (D) Equal Employment Opportunity Commission.

The Reforms Act of 1978 places great emphasis on improving the public service by increasing management flexibility, rewarding efficiency, fixing accountability for agency performance, and, encouraging the exposure of fraud, abuse and corruption.

3.5 The Civil Service Reform Act of 1978 and thereafter:

From the above discussion, we have learnt a lot about USA merit system. It needs mention here that among the men who have taken an active part in civil service reform in America, the name of Mr. William Dudley Foulke needs mention. Many events happened during the decade from 1870 to 1880 so as to arouse the public conscience of the nation and the evils which Mr. Webster attacked in 1832 and which Mr, Schurz described twenty years later continued to increase. Meanwhile, Dorman B. Eaton of New York, a lawyer of distinction and courage, when published a book on the civil service of Great Britain, it widely influenced public opinion. Thereafter, the first Civil Service Reform Association was organized in New York in 1877 and George William Curtis became its President in 1880 and put the whole force of his eloquence into reform campaign. As we have already studied above, Dorman B. Eaton was asked by the Association to draw a bill that would establish a real merit system and it was then taken to Senator Pendleton, who seeing the merits of the bill, introduced it in the Senate in 1881 and ultimately it got passed on 1883. The admirable and

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distinctive feature of the act was that it established the competitive merit system in the federal civil service, prescribed general rules for its administration and left the extension of the system and the formulation of detailed rules to the President and the Civil Service Commissioners. <Wheeler, E. P. (1919)>.

Let us now look into the Reforms Act of 1978. On Oct. 13, President Carter signed into law the Civil Service Reform Act of 1978, thus marking very successful effort in attempts to revamp the civil service system since 1937. The Civil Service reform Act of 1978 has been merely the key to open a new door to merit system. As Frederick Mosher noted “developments in the second third of the twentieth century have befogged the meaning of merit principles and confused the content of merit systems.” With the passage of this act, merit principles have been formalized and codified and as a result, one observer has suggested that the embodiment of merit principles in the statute is a step of such obvious value that it is astonishing it was not done years ago. The most glaring thing learned from the new act is that public policy is not created in a vacuum but it is influenced by more than it influences its environment. <Foster, G. D. (1979)>.

It is pertinent to observe here that dating from the passage of the United States Pendleton Act in 1883, through the writings of Max Weber, Woodrow Wilson and progressive-era reformers such as Frank Goodnow and even through the Minnowbrook Conference, the Reagan administration and the years of National Performance Review, efforts were always made to create an apolitical, competent, and efficient public administration system. It can be said that the Reform Act of 1978 was the centerpiece of President Carter’s efforts to revamp the American Civil Service. (David Schultz).

Thus, above discussion makes us clear that the Civil Service Reform Act provisions were wide-ranging. They included reorganization of the agencies tasked with civil service management and regulation, establishment of a senior executive service, creation of performance appraisal and merit pay programs, and clarification and simplification of appeal procedures for personal actions. <Perry, J. L. (2008)>.

Thus, the Civil Service Reform Act of 1978 (CSRA) was the first major reform of the federal public service personnel system since the Pendleton Act. However, problems keep on occurring in any system and

the national debt increased in 1980s and the trend continued with the total debt increasing during the Bush administration and Clinton administration. This fiscal condition increased pressure on governmental programmes particularly on the 'controllable' part of spending. Thereafter, the National Performance Review (the NPR) made attempts to change the federal management and the proponents of the NPR argued that government should "steer rather than row". That is, government rather than producing goods and services directly, must set up incentive systems that encourage citizens to do things themselves and must encourage competition between governmental agencies and the private sector. This approach envisions government as catalyzing, enterprising, decentralized, community owned, competitive, mission-driven, customer friendly, market-oriented and results oriented. Thus, the NPR encompassed a wide range of management reforms which had broad effects on the public service. <Pffinner, J. P., & Brook, D. A. (Eds.). (2000)>.

Stop to Consider:

Some facts about USA merit system:-

- The Merit Systems Protection Board is an independent quasi-judicial agency established in 1979 to protect federal merit system.
- The merit-based selection of government bureaucracy elevates the level of ability and accountability in the system over political loyalties.
- Some of the merit system principles are: fair and open competition, fair treatment, equal pay for work of equal value, high standards of integrity and concern, efficient management.

Check Your Progress:

1. What is merit system? Trace the origin, development and existing status of merit system in USA.
2. Discuss the motives and defects of the Spoils system.
3. Discuss about the Civil Service Reform Act of 1978. How it has helped in restoring the merit system in USA?

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3.6 Summing Up

Thus, we have discussed above the evolution of merit system in USA. We have seen that initially there was spoils system there in USA but ultimately as a result of various reform movements ultimately merit system came into existence. From the above discussion it is clear to all of us that merit system helps in ensuring efficiency and economy in the administration. We all know the fact that the success of administration ultimately depends on the quality of civil servants and the best quality civil servants can be infused in the system only if they are appointed on the basis of merit. Thus, merit system has been given very much importance in all the administrative systems.

3.7 References and Suggested Readings:

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Unit - 4

Merit System in India

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Unit Structure:

- 4.1 Introduction
- 4.2 Objectives
- 4.3 Evolution of Merit System in India
- 4.4 Summing Up
- 4.5 References and Suggested Readings

4.1 Introduction:

We have already discussed that the framework of the development of merit system in India can be traced back to the days of British rule in India. The British government was responsible for giving a definite shape to the civil services in India. Till the end of the 19th century, there existed in India only the Indian Civil Service, recruitment to which was made by the UK Civil Service Commission. During the British days, the Indian Civil Service was a very well organized, skilled and highly efficient body of officials and it was the nerve of the British rule in India. In this unit, we will make an endeavour to do a historical study regarding the development of merit system in our country.

4.2: Objectives:

After reading this unit, you will be able to:-

- *Understand* the historical background of the evolution of merit system in India.
- *Discuss* the provisions of various Acts passed during the British period, which ultimately helped in the emergence of merit system in our country.

4.3 Evolution of Merit System in India:

If we look back into the history, we find that the Indian Civil Service (ICS) was created during the tenure of the East India Company. The Indian

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Civil Service (ICS) had its genesis in the untrained, underpaid and greedy underwriters of the East India Company. The first step to reform this system was taken by Lord Clive during his second governorship. Clive's reforms did not improve the matters. So, the real credit for radical reforms goes to Lord Cornwallis, who changed the whole administrative set-up of the country. He had some mistrust for the Indians and therefore he reserved all the high posts to the Britishers and left only the lowest to be manned by the Indians. He forbade the officials to carry on any private trade and to recompense them, substantially increased their salaries. Thus, his reforms did much by way of bringing about honesty and efficiency in the civil service. Lord Wellesley took a very bold step by establishing the college of Fort William for the training of the newcomers in the covenanted civil service which remained in existence until 1858.

Act of 1853:-

The Charter Act of 1853 made a radical change in the system of recruitment to the Company's Covenanted Service because the patronage of the Directors was replaced by an open competitive examination held in accordance with the regulations made by the Board of Control. Thereafter, the first examination was held in July 1855. The Haileybury College, where the company's covenanted servants received their training was abolished in January 1858. A few months before the passing of the Act of 1858, the Board of Control vested the duty of holding the examination in Her Majesty's Civil Service Commissioners. This arrangement came into force in connection with the examination held in July 1858. [Banerjee Anil Chandra – Constitutional History of India, volume – 2 (1858-1919)]

The Govt. of India Act, 1858:-

The first important result of the enactment of the Govt. of India Act, 1858, was that the control of the Government of India was transferred from the company to the Crown. A new office namely the Office of Secretary of State was created and the Act empowered the secretary of state in council to make regulations for the admission of persons to the Indian Civil Service. However, this was to be done with the advice and assistance of the Civil Service Commissioners. The examinations were to be conducted under the superintendence of the Civil Service Commissioners and the candidates

recommended by them according to the order of their proficiency as shown by such examinations would be appointed to the Indian Civil Service by the secretary of state in council. Thus, the Civil Service that was introduced during the time of the East India Company got a purely governmental character and the service acquired a reputation for excellence, efficiency and integrity.

The next step in the civil service reforms was towards the inclusion of Indians in the higher services. It needs mention here that although the British Government had laid down the principle of equality in all services as early as in 1833, yet, upto 1870, there was only one Indian in the covenanted civil service. Indians remained excluded from these services because of the following reasons: firstly, competitions were held in England; secondly, age limit was very low; and thirdly, standard of examination was very high. Due to these reasons, it became impossible for the Indians to go to England at such tender age and compete for the exam with the graduates of Oxford and Cambridge. (Mittal J. K – Indian Legal and Constitutional History)

Act of 1861:-

Under this Act, new law was introduced which intended to remove some anomalies inherited from the Company's regime. The Act of 1861 gave retrospective validity to some illegal appointments and at the same time it provided a safeguard against such appointments in future by declaring certain categories of posts as reserved to the members of the Covenanted Civil Service. [Banerjee Anil Chandra – Constitutional History of India, volume – 2 (1858-1919)]

Act of 1870:-

The Act of 1870 provided for the appointment of Indians to the covenanted posts by nomination according to rules to be framed by the Govt. of India. The rules empowered the Governor-General-in-Council to appoint natives of good family and social standing to the posts of Covenanted Civil Service to the extent of one-sixth of the appointments made by the secretary of state for India for the year. This came to be called as Statutory Civil Service. However, this did not satisfy the Indian public opinion and Sir Surendranath Banerjee toured the whole country in 1879-80 and organized

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public opinion in favour of holding simultaneous examinations in both London and India. Meanwhile the Indian National Congress had come into existence in 1885 and it also started pleading for raising the minimum age limit and the holding of simultaneous examinations in both England and India.

Aitchison Commission, 1886:-

In 1886, Dufferin's government, with the approval of the secretary of state and in accordance with his directives, appointed a Public Services Commission 'to enquire into and report upon the question of the admission of natives of India to the various branches of the public service connected with the civil administration of the country'. Its chairman was a distinguished member of the Civil Service, Sir Charles Aitchison and the Commission submitted its Report in 1888. The Aitchison Commission recommended the abolition of the statutory civil service. As regards the age-limit for the examination, the Commission recommended some measures but the demand for simultaneous examinations was however turned down. The Commission report remained a dead letter and so also a resolution of the House of Commons of 1893 which had recommended simultaneous examinations in both England and India but the secretary of state declined to give effect to it.

Thereafter, the demand for holding simultaneous examinations was reiterated by the Congress year after year but official policy remained unchanged. In 1912, the 'Home' Govt. appointed a Royal Commission on the Public Services in India under the chairmanship of Lord Islington. In addition to other matters, the Commission was to investigate into 'the limitation which still exists in the employment of Non-Europeans in the Superior Civil Service. The report of the Commission was ready in 1915 but reasons connected with the war delayed its publication till 1917 and the recommendations of the Commission were not implemented during the war. The next step towards reform of the civil service was taken at the instance of the Montagu-Chelmsford Report of 1918 which connected the question of Indianization of the civil service with 'the progressive realization of responsible government'. (A. R. Tyagi)

Montagu-Chelmsford Reform, 1915:-

The Montagu-Chelmsford Reform, 1915 significantly contributed towards the growth of the civil service in India. The report recommended certain principles which should guide the following course of action. The principles are:

1. Firstly, all distinctions based on race in regard to appointment to the public service should be removed from the regulations.
2. Secondly, for all the public services for which there is recruitment in England open to Europeans and Indians alike, there must be a system of appointment in India.
3. Thirdly, thirty-three percent of the superior posts should be recruited for in India and this proportion should be increased by one and a half percent each year until the examination of the problem by the periodic commission.
4. Fourthly, there should be substantial improvement of the conditions of the European service in India to attract the very best type of European officers.
5. Fifthly, every public servant was entitled to claim that all rights and privileges guaranteed or implied in the conditions of his appointment should be protected.
6. Finally, higher rates of pay, pensions, leave and overseas allowances were to be given to the ICS personnel. [Banerjee Anil Chandra – Constitutional History of India, volume – 2 (1858-1919)]

Government of India Act, 1919:

The Government of India Act, 1919 is very important so far as the evolution of merit system in our country is concerned. This Act gave effect to all these recommendations and also provided for the establishment of a Civil Service Commission for making recruitment to the Central Services. Specific provisions were made in the Act enabling the secretary of state to make rules for regulating the classification of the civil services in India, the methods of their recruitment, their conditions of service, pay and allowances and discipline and conduct. The Act also provided that such rules, might to such extent and in respect of such matters as might be prescribed, delegate the power of making rules to the Governor General in Council or to a local

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government or authorize the Indian legislature or local legislatures to make laws regulating the public services. Section 96-B of the Act states that office is held during pleasure, however containing a statutory and solemn assurance that the tenure of office, though at pleasure, will not be subject to capricious or arbitrary action but will be regulated by rules.

Lee Commission Report and the development of civil service, 1923:-

In 1923, another Royal Commission was appointed under the chairmanship of Lord Lee of Fareham and the commission submitted its report in 1924. It identified new areas and recommended two important steps for streamlining civil service in India. The commission recommended the abolition of the four of the nine existing All India Services and also recommended the speeding up the rate of Indianization of services and the immediate establishment of the Civil Service Commission which had been provided in the 1919 Act.

Thereafter, the Motilal Nehru Committee set up by All Party's Conference in 1928 recommended separate Civil Services for the centre and the provinces. (A. R Tyagi)

The Government of India Act, 1935:-

Under the Act, Civil Service Commissions were established both at the centre as well as in the provinces. Section 240 of the Act laid down the tenure of office of persons employed in civil capacities in India and section 241(2) empowered certain authorities to make rules regulating the conditions of service of such persons. Subsection (1) of section 240 of the GOI Act 1935 adopted the pleasure doctrine of English Common Law but imposed on it two qualifications viz:-

1. That a civil servant must not be dismissed by an authority subordinate to that by which he had been appointed, and,
2. That no such servant must be dismissed or reduced in rank until he had been given a reasonable opportunity of showing cause against the action proposed to be taken in regard to him.

Thus the GOI Act of 1935 borrowed the 'pleasure doctrine' from the GOI Act 1919 which in turn borrowed this concept from English Common Law. (H M Sreevai)

After Independence:-

With the dawn of independence, the former Indian Civil Service (ICS) was replaced by what is known as Indian Administrative Service (IAS). In the new Constitution of India, most of the provisions were drawn from the Act of 1935. Part XIV of the Constitution (containing Articles 308-323) has been devoted to the civil services in India. Article 311 of Indian Constitution contains the same idea as contained in section 240 of the GOI Act 1935. The Union Public Service Commission has been entrusted with significant powers to ensure recruitment of the qualified candidates to the highest level of civil service. The next was the problem of their training. Thus, in 1947, the Govt. of India started the Indian Administrative Service Training School at New Delhi. This school has developed into National Academy of Administration, located at Mussorie. There are three types of Civil Services in India: All-India Services, Central Civil Services and State Civil Services. It needs mention here that in the post-independent period, various procedural changes had occurred from time to time regarding the recruitment of the personnel to the highest civil service. But, in terms of the overall service, there has been no substantial change and so, the IAS and the allied services constitute the existing categories of civil services in India.

India is the only country where law relating to service matters of the civil servants is provided in the Constitution itself. It needs mention that most of the provisions of part XIV are borrowed from the Government of India Act, 1935.

We have seen from the above discussion that the framers of Indian Constitution have realized that the democratic system could be maintained only if the civil servants were appointed solely on the basis of merit by open competitive examination and only if they could carry on the administration independently without any fear and favour. For the recruitment on the basis of merit, our Constituent fathers thus provided for a Public Service Commission at the union as well as the state level. Article 315(1) provides that subject to the provisions of this Article, there shall be a Public Service Commission for the Union and a Public Service Commission for each state. Article 320 of the Constitution prescribes the functions of the Public Service Commissions.

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We can discuss here the functions of the Public Service Commissions. The Constitution prescribes the following functions of the Public Service Commissions, both Union and States:-

1. to conduct examination for appointments to the Union and State Services respectively;
2. to assist the states in framing and operating schemes of joint recruitment for any service for which candidates possessing special qualifications are required, if two or more states make such a request to the UPSC;
3. to give advice:
 - (a) on any matter referred to them relating to methods of recruitment to the civil services and for civil posts;
 - (b) on the principles to be followed in making appointments, and in making promotions and transfers from one service to another and on the suitability of candidates for such appointments, promotions or transfers etc;
4. any other matter referred to a Public Service Commission which the President or, as the case may be, the Governor of a State may refer to them.

Certain committees were also formed after independence and their reports played a vital role in promoting merit system further. They are like: Gorwala committee report (1951), the Kothari committee (1976), the Satish Ch. Committee (1988-89), report on the Civil Service examination review committee (2001), report of the committee to review in-service training of IAS officers (2003), Hota Committee (2004), Baswan committee report on UPSC civil service exam (2015-16) etc.

Stop to Consider:

Article 311 of Indian Constitution:-

Article 311 of the Indian Constitution was a thoughtful manifestation of our founding fathers because it was aimed at protecting the civil servants from unscrupulous wrath of the political masters. Thus Article 311 provides for protecting the disciplined civil servants by entailing

a specified procedure of law but nevertheless refrains from undue protection to the offending civil servants. Article 311(1) says no civil servant is to be dismissed or removed by an authority 'subordinate' to that by which he was appointed. Article 311(2) says no civil servant can be dismissed, removed or reduced in rank except after an inquiry in which he has been informed of the charges against him and also given a reasonable opportunity to defend himself. Thus, Article 311 is a limitation on the doctrine of pleasure as laid down in Article 310 and thus places two limitations on the power of the government. Thus, this provision is a step to inculcate a sense of fearlessness in the minds of the civil servants so that they can adhere to the concept of civil service neutrality and thus is a measure in consonance with the merit system in our country.

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Self Assessment Question

Q. The wisdom of the makers of our Constitution in giving a Constitutional basis to public services as are left to ordinary legislation and administrative regulations in other Constitutions need to be appreciated. Discuss.

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Check Your Progress:

1. What is merit system? Discuss the development of merit system in civil services in India.
2. Trace the origin, development and the existing status of merit system in India.

4.4 Summing Up:

We have made a historical analysis of the evolution of merit system in India. From the above discussion, we see that merit system has its own place of importance in each and every administrative set-up. It is through

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merit system that the efficient personnel gets recruited in the administrative system and when an administrative system is manned by efficient, capable and honest individuals, then that system runs properly without any hindrances.

4.5 References and Suggested Readings:

1. Finer Herman – *The Theory and Practice of Modern Government*.
2. Bhambhri C.P. – *Public Administration* (15th edition).
3. F.A. Nigro’s *Public Administration*.
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Unit - 5

Merit System in UK

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Unit Structure:

- 5.1 Introduction
- 5.2 Objectives
- 5.3 Merit System in UK
 - 5.3.1 Evolution of Merit system in UK
 - 5.3.2 UK Civil Service Commission
- 5.4 Fulton Committee Report
- 5.5 Summing Up
- 5.6 References and Suggested Readings

5.1 Introduction

We have already discussed in the previous units about merit system and its practice in both USA and India. Here, in this unit, we will study about the merit system in UK. We already know the fact that efficiency of an administrative system to a large extent depends upon the personnel who manage the system. And thus it is well understood that an efficient civil service provides an effective instrument for a sound and democratic administration. Thus, utmost importance has also been given in the administrative system of UK to usher in the concept of merit system. This unit is an endeavour to study the merit system in UK in its entirety.

5.2 Objectives

After reading this unit, the learners will be able to:-

- *Discuss* the evolution of merit system in UK
- *Understand* the features of UK Civil Service Commission
- *Analyse* the importance of Fulton Committee Report in the establishment of merit system in UK.

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5.3 Merit System in UK

Herman Finer describes British Civil Service as the ‘envy of the world’. Until 1853, however, it was far from being envied because that time it was founded and perpetuated on patronage and graft. The need for an effective civil service for India provided the inspiration for the reform of civil service at home. The establishment of the Haileybury College in 1813 was a recognition of the need for training of civil servants. Thus, the civil service in Britain today may be said to be organized on the basis of suggestions made in the Northcote-Trevelyan Report on the organization of the Permanent Civil Service, which was presented to Parliament in 1854. The Report attacked the system of patronage, and recommended the system of examinations for entrance to the civil service. This report is a milestone in the history of civil service reform movement in Britain.

5.3.1 Evolution of Merit System in UK

The revolution of 1688 had given Parliament the supremacy over the crown, and to safeguard this sovereignty, Parliament determined to exclude from the right to its membership any official holding a place of profit under the crown. Acts of Parliament went even further in the attempts to exclude officeholders from politics. The Act of 1782 disfranchised customs, excise and postal officials, and this prohibition was maintained until the year 1868. But entry to these offices is still used as a political favour.

Here, we must take into account the pioneering work of Jeremy Bentham. In his – *Official Aptitude Maximized, Expense Minimized* – he laid down the general basis for a reform of the corrupt officialdom and rank patronage of his time. In 1849, the Permanent secretary of the Treasury, Sir Charles Trevelyan pointed out the defect of the Civil Service of his day; it was overstaffed, inactive, and incompetent, and people commonly considered the civil service as the last option for livelihood. Thereafter, British Civil Service was in urgent need for reform. Lord Macaulay’s speech in the House of Commons on 23rd June 1853 set the tone of civil service reform. So, the Treasury commissioned Sir Charles Trevelyan and Sir Stafford Northcote to examine conditions common to all public

establishments and submit a report. The Northcote-Trevelyan Report submitted in 1854 recommended the following :

- (a) replacement of patronage by fair competition
- (b) establishment of a Civil Service Commission to organize recruitment
- (c) introduction of promotion on the basis of merit and seniority
- (d) creation of general grades of civil servants such as administrative, executive and clerical classes
- (e) admission into the civil service on the basis of prescribed age and prescribed general educational qualifications.

The Report was generally accepted. However, implementation of the recommendations took place in terms of the following stages:

- (a) In 1855 the Civil Service Commission was established.
- (b) In 1870 open competitive examinations were introduced for all departments except Home and Foreign offices.
- (c) In 1870 all departments were unified in terms of common services with uniform rates of pay and pensions etc.

Thus, the Civil Service Commission came into existence in 1855, with three members, with tenure during the pleasure of the crown, “to conduct the examinations of young men proposed to be appointed to any of the junior situations in the civil establishments.” The Commission would decide upon the age, health, character and requisite knowledge and ability for the discharge of their official duties, and would give a certificate to this effect prior to the appointment.

Since 1870, the development of the civil service has been marked by a series of thorough inquiries, always searching for improved efficiency. There were the Playfair Commission of 1875, the Ridley Commission of 1884-90, the Macdonnell Commission of 1910-14, and the Gladstone Committee of 1918, and all of these addressed the questions of classification, recruitment and promotion, all interdependent parts of a single problem.

5.3.2 UK Civil Service Commission :

The recruitment to the Civil Service in U.K is made by an independent Civil Service Commission. The main objectives behind the

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establishment of British Civil Service Commission was that appointment should be made on the basis of merit rather than on political pressure. The members of the British Civil Service Commission are referred to as the Commissioners. All the Commissioners were appointed by the queen. The Commissioners were usually persons with experience in the service. They enjoyed a kind of quasi-judicial status and freedom from political pressure. The Treasury is intimately connected with the work of the Commission. In matters of recruitment, the Commission is independent of any outside control. To guarantee the independence of the Commission it is provided that their removal can take place only on the address of both the Houses of the Parliament. The duties of the Commission are contained in the order of Council of 1920. These are : (1) to “approve” the qualifications of “all persons proposed to be appointed, whether permanently or temporarily, to any situation or employment in any of Her Majesty’s Civil Establishment”; (2) to make regulations prescribing the manner in which persons are to be admitted to the Civil Establishments and the conditions on which the Commissioners may issue certificates of qualifications; and (3) to publish in the London Gazette notice of all appointments and promotions with respect to which certificates of qualification have been issued. The Commission administers Civil Service Examination and the result of promotion. The method of entry to the Civil Service in U.K. is by means of open competitive examinations conducted by the Commission under regulations made with the consent of the Treasury and Parliament. The U.K. Civil Service Examinations measure the intellectual equipment and general ability of the candidates. The subjects of examination are distinctly academic. Thus, in U.K., Civil Service personnel are recruited who have brains, personality, effectiveness, judgement and integrity.

Thus, the Civil Service Commission of Great Britain is the oldest public service commission in the world. As seen in the preceding paragraph, it was first established in 1855 and it was this commission which gave a concrete shape to the civil service reforms recommended by the Northcote-Trevelyan report.

Self Assessment Question

Q. The Northcote-Trevelyan report is a milestone in the history of civil service reform movement in Britain. Explain the relevance of this statement. (80 words)

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Stop to Consider:

Concept of Meritocracy:-

In United States, the meritocracy system emerged as a reaction to the spoils system. In a sense, it can be said that the meritocracy system was produced both as a reaction and a solution to the system of favouritism (Demirtas and Demirbilek, 2019). Meritocracy is thus a system in which the management system is based on merit, and is an approach that is based on the best performance and qualifications of the people selected for appointments and ignores other criteria (Sahin, 2016). Thus, Meritocracy is a system of management and organization in which appointments and placements are made based on job-related suitability, intelligence, knowledge, skills, abilities and qualifications rather than unwarranted bases (wealth, family relations, class privilege, social position, political power) (Sealy 2010). In Meritocracy, social discrimination (race, economic superiority etc) is to be eliminated and only the merit of individuals is to be considered. (Tannock 2008). That is why, meritocracy is considered by many to be an ideal principle of justice. (Nesip Demirbilek).

5.4 Fulton Committee Report

By the early 1960s, leaders of British opinion had begun to seek remedies for disorders in the economic and financial management of their affairs. There was a feeling that national prestige was waning and it was

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natural to look for reform. In 1965, the Estimates Committee of the House of Commons published a report on recruitment to the civil service which hinted at certain deficiencies in the service. In 1966, a Departmental Committee under the chairmanship of Lord Fulton, Vice-chancellor of the University of Sussex, was appointed. Its other members were Dr. Norman Hunt of the University of Oxford, 4 senior civil servants, 2 M.P.s, one conservative and one labour, and 4 other 'independent' members drawn from business, trade union movement and the Universities. The Fulton Committee published its report in 1968.

Main points of the Fulton Committee's report may be summarized as follows :-

- (a) The British civil service was still based on the philosophy of amateur (generalist).
- (b) The civil service consisted of the various services, called 'classes' in Great Britain, each of which functioned more or less as a completely separate entity, which seriously impedes the work of the service.
- (c) The specialists employed in the government generally remained deprived of authority that was commensurate with their responsibility.
- (d) Too few civil servants were trained in administration and management.
- (e) The civil service was not as close to the society as it ought to be in a democracy.
- (f) The personnel administration in the government was unsound and unsystematic. Hardly an awareness existed for the need of career planning and career management in the civil service.

Thus, in order to bring about reform in British civil service, the Fulton Committee made the following recommendations :

- (1) A new civil service department should be created to take over the establishment work of the treasury and to oversee the Civil Service Commission.

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- (2) The Fulton Committee also recommended the abolition of all classes (or 'services') and adoption of a single unified grading structure covering the totality of the civil service.
- (3) The committee suggested that to provide training in administration and management, a civil service college should be set up.
- (4) Principles of 'accountable management' should be applied throughout the service.
- (5) Management service units should be set up in all major departments.
- (6) Ministers should be allowed to employ temporary experts to advise them.
- (7) There should be more 'openness' so that the outside world could see more readily who was taking the decisions.
- (8) As regards the trainers, the Fulton Committee recommended that the trainers should be drawn from different walks of life.

Most of the recommendations of the Fulton Committee were accepted and progressively implemented, like :

- (a) The civil service department was created in November 1968, thus taking over the personnel functions of the treasury. The department is responsible for personnel management in the civil service including recruitment, training, career management, manpower planning, development, and application of new systems and techniques in management. The Civil Service Commission also forms a part of this department.
- (b) A civil service college was also set up at Sunningdale, Berkshire.
- (c) Treasury classes were replaced by unified grades of both generalists and specialists.
- (d) Genuine steps were taken in the direction of 'accountable management'.
- (e) The use of specialist advisers has also grown.

Thus, many changes have been introduced in the organizational set-up of the British civil service since the Fulton Report. There has also been effort to improve the governmental machinery through entrepreneurialism and by incorporating New Public Management reforms.

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Stop to Consider

Cardinal Points of the British Civil Service:

Cardinal points of the British Civil Service are as follows :-

- (a) recruitment at an early age with a view to a life career;
- (b) a close link between the various levels of entrance and those of the educational system of the country;
- (c) an emphasis on a general, rather than a specific, education as a preparation for an official career.

There are some fundamental differences between the American examinations and the civil service examinations in U.K. the civil service examinations in America are specific, practical and non-academic. Candidates in America are tested to find out how well they are qualified to perform the duties of the particular position which they seek. The U.K. civil service examinations, on the other hand, measure the intellectual equipment and general ability of the candidates. The subjects of examination are distinctly academic.

Check Your Progress

1. Trace the development of the merit system in the UK.
2. Highlight the contribution of the Northcote-Trevelyan Committee towards the establishment of the merit system in UK.
3. Discuss the contribution of Fulton Committee Report towards merit system in UK.

5.5 Summing Up

In this unit, we have discussed the meaning of the concept of merit system and its evolution in UK. After reading this unit, it is clear to us that merit system helps in ensuring efficiency and economy in administration. It is because the success of administration depends on the quality of civil servants, and the best quality civil servants can be infused in the Public Service only if they are appointed on the basis of merit. Thus, merit system has its own place of importance in every administrative system.

5.6 References and Suggested Readings

1. Finer Herman – *The Theory and Practice of Modern Government*.
2. Bhambhri C.P. – *Public Administration* (15th edition).
3. F.A. Nigro’s *Public Administration*.
3. *Public Administration (Principles and Practice)* by – A.R. Tyagi.
4. *Public Administration* by – Avasthi and Maheshwari.
5. *Constitutional History of India (vol. 2) 1858-1919* by – Anil Chandra Banerjee.

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BLOCK: 3
BUDGETING

- Unit 1 : Budget Procedure, Practice and Legislative Control Over Expenditure – Concept and Meaning**
- Unit 2 : Budget in India – Legislative Control Over Expenditure**
- Unit 3 : Budget in UK – Legislative Control Over Expenditure**
- Unit 4 : Budget in USA – Legislative Control Over Expenditure**
- Unit 5 : Audit in India, U.K. and U.S.A**

Unit -1

Budget procedure, practice and legislative control over expenditure – concept and meaning

Unit Structure:

- 1.1 Introduction
- 1.2 Objectives
- 1.3 What is Budget?
- 1.4 Principles of Budget
- 1.5 Budget – A tool of Legislative Control
- 1.6 Budget – its Economic and Social Implications
- 1.7 Types of Budget
- 1.8 Importance of Budget
- 1.9 Performance Budgeting
- 1.10 Summing Up
- 1.11 References and Suggested Readings

1.1 Introduction:

No administration can run efficiently in the absence of money because finance provides the fuel for the administration to run. But at the same time, it should be kept in mind that public money is a trust and should be used cautiously and judiciously. As we know that finance is the fuel for the engine of public administration, it helps keeping the administrative machinery on its wheel. Thus we can say that the success of administration to a large extent depends upon the availability of finance. Finance is such an important and integral part of administration that Lloyd George once remarked that government is finance. Thus, the role of accountability also comes along with it. Budget is the instrument through which such control over expenditure is exercised. In this unit, we will make an endeavour to study about the concepts of budget, its procedure and practice.

1.2 Objectives:

After going through this unit, the learners will be able to:-

- *Understand* properly the meaning of budget.

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- *Discuss* the principles of budgeting.
- *Know* the use of budget as a tool of legislative control.
- *Understand* the economic and social implications of budget.
- *Analyse* the different types of budget.
- *Examine* the importance of budgeting in general and performance budgeting in particular.

1.3 What is Budget?

Before discussing about the budgetary procedures and practices, we need to know what a budget is. Budget can be said to be one of the principal tools of financial administration and the most important instrument of legislative control over expenditure. With the tremendous increase in the functions of the state, there emerged the need and necessity of check so as to prevent fraud and corrupt practices. This check can be imposed through budgetary procedure. The term 'budget' has been derived from a French word 'bougette' which means a leather bag or wallet. According to Dimock: A budget is a financial plan summarizing the financial experience of the past stating a current plan and projecting it over a specified period of time in future. Taylor again opined that Budget is a financial plan of government for a definite period. Some of the features or elements of budget are: it requires some authority to sanction it, it is a statement of expected revenue and proposed expenditure, it is for a limited period of time generally annual, it also sets forth the procedure and manner in which the collection of revenue and administration of expenditures is to be executed. (Pasricha, A).

Budget is a primary tool of financial administration and is the very core of democratic government. It also presents an opportunity for evaluating different programs and policies thereby identifying if there is any obsolete or unnecessary activities and thus, it serves as an effective device of eliminating wastage. Also, it serves as a most important tool of legislative control over the public finances. Budgeting also helps in short-term and long-term planning. Budgets can be of various types like: Annual or long-term budgets, Single or plural budgets, Surplus, Deficit or balanced budgets, Cash budget or Revenue budget, Departmental budget or performance budget etc.

Different writers have defined budget differently. Let us have a look at some of the definitions so as to have a clear idea of the meaning of budget.

Harlod R. Bruce opined that “A budget is a financial statement, prepared in advance of the opening of a fiscal year, of the estimated revenues and proposed expenditures of the given organization for the ensuing fiscal year.”

According to Munro, “Budget is a plan of financing for the incoming fiscal year. This involves an itemized estimate of all revenues on the one hand and all expenditures on the other.”

Wilne opined that, “Budget is a detail of estimated revenues and expenditures – a comparative chart of revenues and expenditures and over and above this, it is an authority and direction of the competent authority given for the collection of revenues and expenditure of public money.”

According to Rene Stown, “Budget is a document containing a preliminary approved plan of public revenue and expenditure.”

Leroy Beaulieu writes, “A budget is a statement of the estimated receipts and expenses during a fixed period; it is a comparative table giving the amounts of the receipts to incur the expenses and to collect the revenues.”

However, a very broad view of budget has been given by Willoughby, who captured the whole essence of budget. According to Willoughby, “The budget, thus, is something much more than a mere estimate of revenues and expenditures. It is, or should, at once a report, an estimate, and a proposal. It is, or should be, the documents through which the chief executive comes before the fund-raising and fund-granting authority and makes full report regarding the manner in which he and his subordinates have administered affairs during the last completed year in which he exhibits the present condition of the public treasury; and on the basis of such information, sets forth his program of work for the year to come and the manner in which he proposes that such work should be financed.”

1.4 Principles of Budget:

From the above discussion, we could gather some idea about the importance of budget in any administrative system. It is an effective instrument

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of economic and social changes and the basis without which no social progress is possible. Every effort needs to be given so that the budget may really become an effective tool of administrative management. Some of the important principles of budget are like:-

1. Budget formulation is the responsibility of the executive.
2. Budget should always be a balanced one, i.e., the estimated expenditure should not exceed the revenue or income. If a budget is a balanced one it helps in bringing about financial stability.
3. Budgeting need to be done on the basis of gross and not on net income.
4. Budget need to be prepared on annual basis i.e., the legislature should grant money to the executive for one year.
5. Budget need to adhere to rule of lapse which indicates that money left unspent during a year for which it was sanctioned must lapse to the public treasury to be used in the next year.
6. Effort need to be given on the fact that the estimates provided in the budget are accurate as far as possible.
7. Revenue and capital parts of budget should be kept distinct.

Thus, we have discussed above some of the principles of budgeting which means that if these principles are adhered to, then we can have a good and balanced budget. Important principles of budget according to Dimock are: publicity, clarity, comprehensiveness, unity, periodicity, accuracy, integrity. Harold D. Smith sets out eight budgetary principles as follows:-

1. Executive programming:- Budget, being the programme of the Chief Executive, must be under the direct supervision of the chief executive.
2. Executive Responsibility:- It is the responsibility of the chief executive to see that the departmental programmes fulfil the intent of the legislature and due economy is observed in the execution of the programme.
3. Reporting:- Budgeting without reporting is blind and arbitrary. Thus, budgetary processes like the preparation of the estimates, legislative action and the budget execution must be based on proper reports coming from all levels of administration.

4. Adequate tools:- Budgetary responsibilities expect that the chief executive to be endowed with certain administrative tools.
5. Multiple Procedures:- It is true that different governmental operations are reflected in the budget but the methods of budgeting may vary according to the nature of operations. For example, the budgeting of quasi-commercial activities may be different from that of the purely administrative activities.
6. Executive Direction:- Though appropriation is made by the legislature, sufficient discretion need to be given to the executive to choose the means of operations to realize the main purpose.
7. Flexibility in timing:- Budget need to have the flexibility so as to accommodate the necessary changes in the light of the changing situation.
8. Two-way budget organization:- It is of paramount importance to remember that efficient budgeting depends upon the active co-operation of all the departments and their subdivisions.

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1.5 Budget – A tool of Legislative Control

We have already discussed above that the budget is the most important tool of the legislative control over the public purse. It enables the legislature to control the executive. The legislative control signifies that no tax can be collected without its prior authorization and no expenditure can be incurred without its prior approval. This legislative control has been defined in the shape of certain principles which Harold A. Smith explained as follows:-

1. Publicity:- The main stages of the budget process need to be made public.
2. Clarity:- The budget should be such that it should be understandable to every citizen.
3. Comprehensiveness:- The budget need to be comprehensive in nature. That means the budget should contain the expenditures and revenues on a gross basis reflecting all the governmental activities without exception.
4. Budget unity:- All receipts should be recovered into one general fund for financing all the expenditures.

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5. Detailed specification:- Receipts and appropriation should be expressed in detailed specification.
6. Prior authorization:- There must be prior authorization in the sense that the budget need to be submitted, considered and acted upon in advance of the period during which the expenditures are to be made. Not only that, budget execution should stay strictly within the legislative authorization which needs to be checked by an auditing agency reporting to the legislature.
7. Periodicity:- Appropriation should be authorized for a definite period of time.
8. Accuracy:- Budget estimates should be as accurate as possible.

1.6 Budget – its Economic and Social Implications:

In addition to the above discussed purposes, Budget also serves as an instrument of economic and social policies. We can discuss here the observation of Gladstone who opined in the nineteenth century that budgets are not merely matters of arithmetic but in a thousand ways go to the root of prosperity of individuals and relations of classes and strength of kingdoms. Budget can thus encourage investments and thus can help in promoting the economic growth of the country. Also by taxing the rich, it can mitigate economic inequality. Also, budget serves as a political document because it provides a glimpse of the entire philosophy and program of the government. Thus, budget serves various purposes – an economist views it as a device of influencing the economy of a country, for politician it is an instrument of defending or criticizing government’s programmes, administrators uses it as a framework for exercising administrative discipline throughout the administrative structure. (Avasthi and Maheshwari).

1.7 Types of Budget:

The budget can be of various types and can be classified on the basis of the following principles:-

1. The period covered.
2. Number of budgets introduced in the legislature.

3. The overall financial position depicted in the budget.
4. The principle adopted in taking the items of income and expenditure in the budget.
5. The classification of the receipts and expenditure in the budget.

On the basis of the above discussed principles, the budgets can be of the following types:-

1. Annual or long-term budgets:- Annual budget means the budget which is prepared for one year. However, some countries, in order to meet the long-term planning, at times prepare the budget for three or more years i.e., they are for a period of years. This type of budget is called long-term budgets.
2. Single or Plural Budgets:- When the estimates of all the governmental departments find place in one budget, it is called single budget. On the other hand, if there are separate department-wise budgets which are passed separately by the legislature, it is called plural budgeting. In India, we have two budgets: General budget and the Railway budget.
3. Surplus, Deficit or Balanced Budgets:- A budget is surplus if the estimated revenues are more than the estimated expenditures. Deficit budget is if the anticipated revenues fall short of the anticipated expenditure. A balanced budget is one where the anticipated revenues equal the anticipated expenditures.
4. Departmental budget or performance budget:- Departmental budgets are those where the revenues and expenditures of one department are grouped under the budget and it does not give any information as to the activity or performance. On the other hand, performance budget is one where the total expenditure is grouped under the head of a particular program. Thus, it is prepared in terms of functions, programs, activities and projects.

1.8 Importance of Budget:

Budgeting is the heart of administrative management and it serves as a powerful tool of co-ordination and an effective device of eliminating duplication and wastage. Budgeting inculcates within all the value of cost-

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consciousness and also budgeting presents an opportunity for evaluating program and policies thereby identifying obsolete or unnecessary activities leading to their discontinuance. Thus, budget serves as the primary tools of financial administration. We can cite here Taylor who very nicely projected the importance of budget in the following words: “It is the master financial plan of the government. It brings, together, estimates of anticipated revenues and proposed expenditures implying the schedule of activities to be undertaken and the means of financing these activities.” Thus, budget is regarded as the very core of democratic government. We can also cite here Harold Smith, who very nicely summed up the importance of budget in a democratic system. In the words of Harold Smith: “The objectives of the budget should be able to implement democracy and provide a tool which will be helpful in the efficient execution of the functions and services of government. The budget is a device for consolidating the various interests, objectives, desires and needs of our citizens into a program whereby they may jointly provide for their safety, convenience and comfort. It is the most important single current document relating to the social and economic affairs of the people.” Moreover, a modern budget also plays a very important role in the social and economic life of a community. In earlier times, say in the days of laissez-faire, budget was a simple statement of estimated income and expenditure but now in the modern welfare states, it plays a predominant role as an instrument of promoting the social and economic well-being of the people. Thus, now-a-days, budget has wide ramifications. It is from the budget that the citizens get to know what benefits they will get and also how much tax they need to pay. The taxation policy of the government in the budget may also help in narrowing down the class distinctions and inequalities in the society. The production policy in the budget may again help in removing the problems of poverty, unemployment and maladministration of wealth. It can also help in checking inflation and thus can help the citizens lead their life in comfort and happiness. Thus, from the above discussion, it is crystal clear to us that budget has got tremendous social and economic implications in modern states. Not only that, budgeting disciplines and streamlining administration goes hand in hand with program planning. Thus, we can say that budgeting also serves as an instrument for short-term and long-term planning. The close relationship between planning and budgeting has been

highlighted in the words of Thavaraj: “The marriage of ‘planning’ and ‘budgeting’ must begin at the ‘grassroots’ level in the respective departments and agencies.” Thus, the programming, planning and budgeting in the various governmental agencies need to work as a team so as to exercise proper and continuing surveillance of the respective programs.

It is pertinent to discuss here about Performance Budgeting. This budget radically differs from the traditional budget termed as ‘line-item budget’ where focus was on objects of expenditure. On the other hand, performance budget focuses on the objectives and functions. Thus, performance budgeting is a kind of challenge to the traditional budget system. Here, the governmental operations are presented in terms of functions, programs, activities and projects.

1.9 Performance Budgeting:

This type of budget radically differs from the traditional budget which is termed as ‘line-item budget’. The performance budget is one where allocation of expenditures is done with reference to particular objectives and functions. Thus, the performance budgeting is a sort of challenge to the traditional budget system. Here, the governmental operations are projected in terms of functions, programs, activities and projects. It thus is a deviation from the line-item budget where expenditure emphasizes on staff, furniture, equipments etc. Thus, it is a shift from the means of accomplishment to the accomplishment themselves. In the words of Administrative Reforms Commission: A performance budget is a technique for presenting government operations in terms of functions, programs, activities and projects. Also, the Hoover’s Commission of the USA explained the concept of performance budgeting in the following words: “We recommend that the whole budgetary concept should be re-fashioned by the adoption of a budget based on functions, activities, and projects; this we designate as ‘performance budget’. Such an approach would focus attention upon the general and relative importance of the work to be done or upon the services to be rendered rather than upon the things to be acquired.” From the above discussion, it is clear to all of us that the performance budget is prepared in functional categories like that of health, education, agricultural development etc.

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Let us now have a look at the merits and demerits of performance budgeting.

Following are some of the merits:-

1. It helps in establishing a co-relation between the physical and financial aspect of every program and activity.
2. It helps in improving decision-making and management of programs and objectives.
3. It helps in bringing about effective improvement in the budgetary practice and also helps in reviewing the actual progress of the programs at different levels.
4. It facilitates better appreciation and review of the governmental objectives.
5. It helps in understanding the responsibility very precisely as to who is responsible for what.
6. It also provides a very clear and true picture of spending and revenue alternatives.

However, the adoption of performance budgeting also leads to certain difficulties. Many of the governmental activities do not have end-products and it is not possible to quantify them or to project them as a performance units. For example, law and order and other police activities. Also, it is seen that many assets of the governmental organizations cannot be put in terms of units.

Self Assessment Question

Q. Budgeting is the heart of administrative management and it serves as a powerful tool of co-ordination and an effective device of eliminating duplication and wastage. Do you think that budget serves the above purposes? Discuss.

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Check Your Progress:

1. Discuss the meaning and importance of budget.
2. What is performance budgeting? Discuss its merits and demerits.
3. Discuss the important principles of budgeting.
4. Discuss the economic and social implications of the budget.

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Stop to Consider:

Performance budgeting in India:-

The concept of performance budgeting originated in USA and thereafter many countries of Asia, Africa and Latin America also opted for it. In India, the movement gained momentum in the mid-1950s. The Estimates Committee in its 20th report recommended that performance-cum-program system of budgeting would be ideal for a proper appreciation of the schemes and outlays included in the budget. Also, the Administrative Reforms Commission, in its report on "Finance, Accounts and Audit" recommended for the adoption of performance budgeting in all those departments and organizations which were in direct charge of developmental programs. Thereafter, the Ministry of Finance submitted to the Lok Sabha on 17th April, 1968, a document entitled 'Performance budgets of selected organizations, 1968-69'. For the year 1969-70, a few more organizations were added. However, it must be borne in mind that performance budgets are only a supplement to the traditional budget documents.

1.10 Summing Up:

Thus from the above discussion, we have come to know a lot of facts about budget procedure, practice and budget serving as an instrument of legislative control. It is seen that budget plays a vital role of importance in all the administrative set-ups. Also, there are different principles of budgeting and if a budget is made following those principles, then it can help in the process of financial administration.

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1.11 References and Suggested Readings:

1. Avasthi and Maheshwari (1997). *Public Administration*. Lakshmi Narain Agarwal Educational Publishers, Agra.
2. Kapur, A. C (1997) '*Select Constitutions*' S. Chand and Comp. Ltd., New Delhi.
3. Pasricha, A. (2003) '*Public Administration - discipline and dimensions*' National Publishing House, New Delhi.
4. Basu, D. D (1997) '*Introduction to the Constitution of India*' 18th ed. Prentice Hall of India Pvt. Ltd., New Delhi.

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Unit-2

Budget in India – legislative control over expenditure

Unit Structure:

- 2.1 Introduction
- 2.2 Objectives
- 2.3 Preparation of Budget
- 2.4 Enactment of the Budget
- 2.5 Execution of the Budget
- 2.6 Legislative control over Expenditure
- 2.7 Criticism of the Financial Control
- 2.8 Summing Up
- 2.9 References and Suggested Readings

2.1 Introduction:

We have already studied in the last unit about the meaning of budget and its principles. So, we have come to know about the importance of budget in modern democratic systems. The budgetary responsibilities of a modern government are so vast and important that Gladstone once said that budget goes to the root of prosperity of individuals, the relations of classes and the strength of kingdom. It is through the budget that the financial policies of the government are known. However, the budgetary responsibilities are not the exclusive concern of one particular ministry but all the ministries come into the picture at various stages. The word 'budget' is not there in Indian Constitution but Article 112 of the Constitution refers to the 'annual financial statement' which is a statement of the estimated receipts and expenditures of the Government of India for the ensuing financial year. In this unit, we will try to study about budgeting in India with special emphasis on legislative control over expenditure.

2.2 Objectives:

After studying this unit, the learners will be able to:

- *Discuss* the preparation of budget in India.

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- *Understand* the enactment of budget in India.
- *Analyse* the legislative control over expenditure in India.

2.3 Preparation of Budget:

Preparation of budget estimates is the very first step in the financial administration of any country. It can be mentioned here that there is no single budget for the entire country. The states have their own budgets because we have a quasi-federal system. Also at the Union level, there are two budgets – the General Budget, and the Railway budget. The Railway Budget was separated from the General budget in 1921. The responsibility of preparing the budget estimates lies with the executive because the executive knows the requirements of various departments. In the process of preparation of budget in India various departments are involved like: the Finance Ministry, the Administrative Ministries and their subordinates offices, Planning Commission and Comptroller and Auditor-General – all are involved in the process of the preparation of budget in our country. However, the Ministry of Finance, dealing with the financial matters of the government, is primarily responsible for framing the budget. The Finance Minister is the steward of the nation's purse and it is his paramount duty to see that the national finances are conducted prudently and efficiently. The Finance Ministry is responsible for the preparation of the Annual Financial Statement, for piloting it through the Parliament, for supervising its execution by the various departments, for collection of the revenue etc. Thus, the Finance Ministry though has the overall responsibility for the framing of the budget, but in reality it is the administrative ministries who have detailed knowledge about the administrative requirements. The Finance Ministry also keeps a close touch with the Planning Commission, for incorporating the plan priorities in the budget. The Comptroller and Auditor General make available the accounting skills which is necessary for the preparation of the estimates.

The work in connection with the preparation of the budget estimates begins six to eight months prior to the commencement of the next financial year. The Finance Ministry takes the initiative and despatches a circular to the various administrative ministries and departments thereby asking them to start preparing estimates of expenditure. The skeleton forms are supplied

where the estimates and other requirements have to be filled in and the administrative ministries ultimately pass on these printed forms to the disbursing officers. Each form contains columns for – (a) actuals of the previous year; (b) sanctioned estimates for the current year; (c) revised estimates for the current year; (d) budget estimates of the next year; and, (e) actuals of the current year available at the time of preparation of the estimates and actuals for the corresponding period of the previous year. It needs mention here that the estimates prepared by the disbursing officers are sent to the head of the department in two parts. Part I relates to revenue and standing charges and part II is further subdivided into two categories. In the first category are those items which are continuing from year to year and the second category relates to the entirely fresh items. These estimates from the various departments are then sent to the administrative ministry where again they are subjected to a scrutiny in the light of its general policy. Ultimately these estimates are passed on to the Budget division of the Ministry of Finance. The scrutiny of the estimates by the Ministry of Finance is from the financial point of view like that of economy or availability of funds. In carrying out this function, the Finance Ministry does not behave as an expert on the numerous proposals involving expenditure. It asks questions like: Is the proposed expenditure really necessary? If so, how have we so long done without it? what is done elsewhere? What will it cost and wherefrom is the money to come? Who will go short as a consequence of it? are new developments likely to render it necessary? And so on.

The Ministry of Finance thereafter prepares an estimate of income and expenditure of the Government of India and on the basis of the estimated expenditure, proposals regarding fresh taxes are made in the budget. In other words, the budget consists of two parts – the income side and the expenditure side. After that, the budget is submitted to the Cabinet for joint consideration and when the Cabinet has approved the budget, it gets ready for being introduced in the Parliament.

Article 112 of the Indian Constitution has laid down the following expenditures as charged on the Consolidated Fund of India:

1. The emoluments and the allowances of the President and other expenditure relating to his office.

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2. Salaries and allowances of the Chairman and the Deputy Chairman of the Council of States and the Speaker and the Deputy Speaker of the House of the People.
3. Debt charges for which the Govt. of India is liable.
4. The salaries, allowances and pensions payable to, or in respect of, judges of the Supreme Court.
5. Salary, allowances and pensions payable to, or in respect of, the Comptroller and Auditor-General of India.
6. Any other expenditure declared by the Constitution or by law of the Parliament to be so charged.

The items mentioned above are non-votable although the Parliament can discuss them. All other expenditures paid out of the Consolidated Fund are voted by the Parliament. No moneys out of the Consolidated Fund of India shall be appropriated except in accordance with law and for the purposes and in the manner provided in the Constitution. There is also a Contingency Fund of the government which meets the unexpected demands and which incurs expenditure which might not have been discussed in the legislature. Generally previous sanction of the parliament is needed for any expenditure to be incurred by the government but contingent expenditure may be incurred without such previous sanction.

2.4 Enactment of the Budget:

The powers of Parliament in respect to the enactment of the budget are enshrined in the Constitution under Articles 112 to 117. The following provisions need to be mentioned here:-

1. No demand for grant shall be made except on the recommendation of the President.
2. No proposal relating to expenditure can be brought without the recommendation of the President.
3. Parliament cannot increase a tax though it is empowered to reduce or abolish it.
4. 'Charged' expenditure upon the Consolidated Fund of India shall not be submitted to the vote of parliament though it is subject to discussion.

5. Powers of the Rajya Sabha (the Council of States) are quite restricted in the financial matters.

In Parliament, the budget goes through the following five stages:

1. Presentation to the Legislature.
2. General Discussion.
3. Voting on Demand for Grants.
4. Consideration and passing of the Appropriation Bill, and,
5. Consideration and passing of the Taxation proposals that is the Finance Bill.

Let us discuss the stages in detail now:-

Introduction of budget:- In the Parliament, the budget is presented in two parts: the Railway budget and the General Budget. The Railway budget deals exclusively with the receipts and expenditure of the railways and it is separately presented by the Railway minister. The General budget deals with the estimates of all the departments of the government of India excluding railways and it is presented by the finance minister. Railway budget is presented and is followed by the General budget which is presented by the finance minister in the Lok Sabha. The Finance Minister presents the budget to the Lok Sabha on the last working day of February. This he does with the speech known as the budget speech.

General discussion:- A discussion does not immediately follow the presentation of the budget. Rule 130 of the Rules of Conduct of Business of Parliament states that no discussion of the budget shall take place on the day on which it is presented to the parliament. The Speaker fixes a date on which general discussion on the budget is to take place and such a date is generally fixed one week after the presentation of the budget. At this stage, the Lok Sabha discusses the budget as a whole on any question of principle involved therein. Details of the budget are not discussed at this stage. Discussion covers all the items of expenditure including those that are charged on the Consolidated Fund of India and are excluded from the vote of the parliament. This discussion is more of political rather than of financial in nature. At this stage, no motion is moved nor is the budget submitted to the vote of parliament. It needs mention here that the general discussion on

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the budget takes place in both the Houses of Parliament simultaneously and the Finance minister makes a general reply at the end of the discussion.

Voting of Demands for Grants:- After the general discussion is over, the Lok Sabha proceeds for the Voting of Demands for Grants, which are not charged on the Consolidated Fund of India. It must be noted here that the voting of demands is the exclusive privilege of the Lok Sabha and the Rajya Sabha does not take part in it. The total number of days allotted for the voting of demands is 26 and due to the short time given, many of the demands are voted without any discussion. This voting is restricted to the votable parts of the expenditure. To the demands, three kinds of cut motions can be moved by members: policy cut motions, economy cut and token cut motion.

Consideration and passing of the Appropriation Bill:- After the demands for grants are approved by the Lok Sabha, a bill is introduced to provide for the appropriation of money required to meet the grants. This is known as the Appropriation Bill and the enactment of the Appropriation bill completes the parliamentary authorization of the government expenditure. The Appropriation bill gives effect to the demands as voted by the house. Thus, all the demands voted by the Lok Sabha and the expenditure charged on the Consolidated Fund of India are put together and incorporated in the Annual Appropriation Bill. Thus, when an appropriation bill is introduced in the Lok Sabha, the debate is restricted to those points which have not been already discussed in the house. After being passed by the Lok Sabha, it is certified by the Speaker as money bill and sent to the Rajya Sabha. The Rajya Sabha has neither the power of amending nor rejecting the bill but it can only discuss and make recommendations within a period of 14 days to the Lok Sabha, which may or may not accept them. Thereafter, the bill is sent to the President for his assent. An Appropriation Act with the assent of the President embodies the authority given by the parliament and it authorizes the government to withdraw money from the public fund and spend it as authorized in the Act. Without this authorization, the government cannot incur any expenditure and thus, the Comptroller and Auditor General of India can hold a payment as illegal if it were made without authorized by the Appropriation Act.

Consideration and passing of the Taxation proposals i.e., Finance

Bill:- After dealing with the expenditures to be incurred by the government, the second aspect is to look at the income side, as to where from the money will come. The Appropriation Act authorizes the government to spend money but it has not provided wherefrom the money for expenditure would come. Thus, provision is made for collecting the required money by way of taxation. Article 263 of the Indian Constitution lays down specifically that no tax shall be levied or collected except by authority of law. A finance bill is thus placed before the house for this purpose. This bill incorporates the financial proposals of the government for the ensuing year and is placed before the parliament. After the finance bill is passed, the government is authorized to collect the taxes. With the passing of the Appropriation bill and the Finance bill, the enactment of the budget is complete.

2.5 Execution of the Budget:

After the enactment of the budget, the next step in the budgetary process is its execution. It needs mention here that the execution of the budget is the responsibility of the executive. It is the duty of the executive to spend the money as voted by the parliament. The following two important principles are involved in the execution of the budget:-

1. That it must conform to the terms of the Appropriation and Finance Acts, and,
2. That there must be a high degree of honesty, integrity and efficiency.

The process of execution of the budget involves the following:-

Assessment and collection of funds:- We have already studied above that the legislature levies taxes and thereafter the executive devises appropriate measures for the administration of these taxes. However, before the taxes are collected, they need to be assessed. Assessment means the act of determining as to how much amount can be collected from different sources in accordance with the rules framed by the legislature. Thus, it involves preparation of a list of person who are liable to pay tax and also determining the amount of tax to be paid in accordance with the prescribed rates. Also care needs to be taken to prevent the evasion of taxes. After making the necessary assessment, taxes are collected from various sources.

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The mode of collection varies according to the nature of taxes. The department of Revenue of the finance ministry exercises overall control and supervision over the direct and indirect taxes.

Custody of public funds:- After the revenue is collected, next step is to ensure that the revenue is placed in safe custody. This involves the following:-

1. There should be no possibility of embezzlement and misappropriation.
2. There should be ensured convenience and promptness of payment.

The banking system in our country conducts the treasury role of the government of India.

Disbursement of funds:- After the revenue is kept in proper custody, next step is disbursement which is the process of withdrawal of money from the treasury for payments of various liabilities. Here, utmost care needs to be taken so as to prevent illegal and inaccurate withdrawal or payments. Thus, proper control is exercised by the Ministry of Finance over expenditure. The ministry of finance designates the head of each administrative department as a controlling officer in respect of the expenditure occurring in this department, who in turn allocates grants to the disbursing officers. A great responsibility falls on the shoulder of the disbursing officer because he needs to ensure the following:-

1. That the expenditure has been sanctioned by a general or special order of the authority competent to sanction such expenditure;
2. That the expenditure to be incurred is within the limits of the appropriation granted by the legislature;
3. That payment of the claims is just.

Also, he needs to maintain the accounts of the various transactions and need to make a report about them to the head of the department and to the Accountant-General. Thus, the disbursing officers are required to submit monthly accounts to the controlling officers of their departments.

Accounting:- It simply means keeping a systematic record of the financial transactions because a good accounting system helps in the process of adequate budgetary control. Systematic accounts help to understand the

legality and honesty of the transactions. Moreover, it can be ascertained whether provisions of the budget as voted by the legislature have been properly implemented or not.

Auditing:- This is the last stage in the execution of the budget. The term audit has been defined as the process of ascertaining whether the administration has spent or is spending its funds in accordance with the terms of the legislative instrument which appropriated the money. In India, the audit department is headed by the Comptroller and Auditor-General. The function of CAG has been discussed in detail in the unit dealing with Auditing.

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Stop to Consider:

Ministry of Finance:-

The Ministry of Finance is one of the most important ministries of the government because the framing of general financial and economic policies and programs of government is the responsibility of the Finance Department. We know that finance provides the fuel for the engine of administrative machinery which is managed by the Finance Ministry.

The following are the main duties of the Finance Department:-

1. Administration of the finances of the government and handling of financial matters affecting the country as a whole.
2. Raising the revenues which are necessary for carrying on the administration and regulating the taxation and borrowing policies of the government.
3. Administration of problems relating to banking and currency, and in consultation with the ministries concerned, arranging for the proper utilization of the country's foreign exchange resources.
4. Controlling the entire expenditure of the government in operation with the administrative ministries and departments concerned.

Regarding the organization of the finance department, the ministry is divided into three organized departments: Department of Economic Affairs, Department of Revenue and Department of Expenditure. The importance of the ministry of finance as an agency of financial control

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can be understood from the fact that it is charged with the responsibility of raising the resources for the overall expenditure of the government of India and thus it is an agency which exists more for others than for itself. (Pasricha, A)

2.6 Legislative control over Expenditure:

Legislative control over expenditure is needed not only to ensure fidelity on the part of the public officials but also it is essential to accomplish the program targets at minimum costs and in shortest possible time. The function of the legislature does not end with the voting of grants for public expenditure but it also has to ensure that the funds granted are spent faithfully and economically in accordance with the directions. Control is exercised by the legislature in two ways: one is budgetary control and the other is post-budgetary control. An important feature of the parliamentary form of government is the system of budgetary control as we have seen in the above discussion. Let us now focus our attention on the post-budgetary control. The Finance Ministry's control over public expenditure does not cease with the presentation of the budget to the parliament but its control is continuous operating both before and after the parliamentary approval of the estimates. The Parliament makes the grants to the government as a whole and not to individual ministers and so, the finance ministry, is the agency that is responsible for managing the finances of the government. Thus, from the above discussion, we have already understood the fact that effective parliamentary control over the governmental expenditure requires that: firstly, the parliament should satisfy itself that the appropriations have been utilized economically and also for the approved purposes and secondly, it should undertake a detailed examination of the annual budget estimates of the government so as to suggest possible economies in the implementation of plans and programmes. In order to perform these functions properly, it constituted four committees: Public Accounts Committee, Estimates Committee, Committee on Public Undertakings and the Department related Standing committees.

Public Accounts Committee:- Parliamentary power over voting the money for specific purposes does not have any meaning unless it has the power to ascertain that the money voted has been utilized by the executive for the purposes for which it was voted. This is secured by subjecting the public accounts to be audited by an independent authority, the Comptroller and Auditor General, and further the examination of his report by a special committee of parliament called the Public Accounts Committee. The committee performs a vital role of importance because of the following reasons: firstly, parliament does not have the time to undertake the detailed examination of the report; secondly, the scrutiny being essentially technical in nature can best be done by a committee and lastly, the non-party character of the examination can be possible only through the committee.

The main function of the committee is to see:-

1. That the moneys shown in the accounts as having been disbursed were legally available for and applicable to the service or purpose to which they have been applied or charged;
2. That the expenditure conforms to the authority which governs it;
3. That every re-appropriation has been made in accordance with provisions made in this behalf under rules framed by competent authority.

The Committee examines the report of the Comptroller and Auditor General to find out that the money voted by parliament has been utilized by the government within the scope of the demand. Thus, the committee scrutinizes the report of the Comptroller and Auditor General in details and then submits its report to the House of the People so that the irregularities noticed by it may be discussed by the parliament and effective steps can be taken.

Estimates Committee:- The Estimates Committee was first created in April 1950 and its functions were enlarged in 1953. The Committee has been entrusted with the following important functions:-

1. To report what economies, improvements in organization, efficiency and administrative reforms, consistent with the policy underlying the estimates, may be effected;
2. To suggest alternative policies in order to bring out efficiency and economy in administration;

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3. To examine whether the money is well laid out within the limits of the policy implied in the estimates; and,
4. To suggest the form in which the estimates shall be presented to parliament.

The report of the committee usually contains three types of recommendations – recommendations for improving the organization, for securing economy and for providing guidance in the presentation of the estimates.

Committee on Public Undertakings:- The third financial committee is the Committee on Public Undertakings and its functions are: (a) to examine the reports and accounts of public undertakings; (b) to examine the reports of the Comptroller and Auditor-General on public undertakings; and, (c) to examine, in the context of autonomy and efficiency, if the public undertakings are being managed in accordance with sound business principles and proven commercial practices.

Self Assessment Question

Q. Legislative control over expenditure is needed not only to ensure fidelity on the part of the public officials but also it is essential to accomplish the program targets at minimum costs and in shortest possible time. Discuss the relevance of the statement.

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2.7 Criticism of the Financial Control:

We have discussed above in detail as to how the legislature in our country exercises control over public expenditure. Also, we have discussed above the important role played by the finance ministry. However, the financial control as exercised by the ministry of finance has been subject to criticisms. It has been alleged by the critics that the control extends even to the trivial matters and is too-detailed. We can quote here Gorwala who observed

“what is really needed in financial matters is control and not interference in small matters leading to a great deal of waste of time, energy and frustration on the part of the administrative departments, that is the greater part of the government. This must be avoided.” Moreover, regarding the functioning of the Estimates Committee, Asok Chandra has criticized the enlargement of the functions of the committee as well as the manner of its functioning in the following words: the emphasis on a review of the policies of government and of the structure of departmental organizations, to the relative exclusion of a detailed scrutiny of estimates, has substantially altered the character and purpose of the committee. It has also been contended that the committee is becoming a fault-finding rather than a fact-finding mechanism. We can however sum up the controversy with the observation of Sir Gilbert Campion about the committees of the House of Commons who said: “if the House is not free to use them as it wishes, it is deprived, or deprives itself, of the most natural means of obtaining information and advice,” and lastly, the criticism that the recommendations of the committee are usually not heeded by the government is also not convincing because in majority of the cases, the government have accepted the recommendations.

We can sum up our discussion with the following observation of the Planning Commission:-

“A plan of economic development necessarily postulates substantial increase in public expenditure. The importance of securing economy and sound financial control which is already generally recognized is, therefore, further emphasized by the needs of national planning. The objects of financial control are to ensure, (1) that no wastage of resources occurs, (2) that public money is not misapplied, and, (3) that for the money spent adequate results are obtained. Within the administration the responsibility for ensuring that these conditions are observed rests equally upon the administrative authorities and upon finance departments, although necessarily the latter have special duties to discharge. There is need always for close co-operation at each level between the financial and the administrative authorities so that, if any difficulties are encountered, they can be removed through personal consultation at an early stage in the formulation of a proposal and before commitments are entered into. Financial procedures, which, on the one

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hand, secure adequate control and, on the other, avoid too great an interference in carrying out their own programmes, are essential to the efficient execution of the Five Year Plan.” (Avasthi and Maheshwari)

Stop to Consider:

Department-related Standing Committees of the Parliament:-

In 1993, the Parliament took a decision to set up department-related standing parliamentary committees so as to scrutinize, *inter alia*, the demand for grants of various ministries/departments before these are discussed and voted in the House. The functions of the department-related standing committees are:-

1. To consider the demands for grants of the concerned ministries and make a report on the same to the houses;
2. To examine bills pertaining to the concerned ministries;
3. To consider annual reports of ministries and make reports thereon, and,
4. To consider national basic long-term policy documents presented to the houses.

After committee scrutiny, it submits a report on the respective demands for grants to both the houses of parliament for consideration.

Check Your Progress:

1. Discuss the devices for legislative control over expenditure in India with special reference to the role of the Public Accounts Committee.
2. Discuss the budgeting procedure and practice in India with special reference to the role of the Parliament.
3. What is budget? Discuss in detail the budget procedure and practice in India.
4. Discuss the various devices adopted by the Parliament of India to control the budgeting system.
5. Discuss the means for effective legislative control over expenditure in India with special reference to the role of various parliamentary committees.

2.8 Summing Up:

Thus we have discussed above in detail about the budgetary process in our country focusing specially on the legislative control over expenditures. It is seen that this type of control is essential so as to keep the government in right track. We have also discussed in detail about both kinds of control i.e., the budgetary and post-budgetary control and also discussed about the role of different parliamentary committees which help the legislature in their task of effective control over public expenditure.

2.9 References and Suggested Readings:

1. Avasthi and Maheshwari (1997). *Public Administration*. Lakshmi Narain Agarwal Educational Publishers, Agra.
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Unit - 3

Budget in UK – Legislative Control Over Expenditure

Unit Structure:

- 3.1 Introduction
- 3.2 Objectives
- 3.3 Need of Legislative control over Expenditure
- 3.4 Budget in UK
- 3.5 Scrutiny of Expenditures
- 3.6 Current Developments
- 3.7 Accounting Officers
- 3.8 Summing Up
- 3.9 References and Suggested Readings

3.1 Introduction:

We have studied in the previous unit about budget, its meaning and significance. Also we know that in the absence of finance, no work can be done. For the development of administration, different developmental works need to be undertaken and thus, finance is of utmost importance in all administrative set-up. Finance is the fuel which helps the administrative engine to run properly. In this unit, we will try to study about the budget in UK and the legislative control exercised over expenditure in UK.

3.2 Objectives:

After reading this unit, the learners will be able to:-

- *Discuss* about the budget in UK
- *Explain* the legislative control over expenditure in UK.

3.3 Need of Legislative Control over Expenditure:

Financial administration of a country is actually executed through the legislature, the executive, the finance department, the Audit and the Parliamentary Committees. However, in a democratic polity, the legislature is the only competent organ of government which authorizes the government

to collect taxes and also to spend them in a particular manner. Without the approval of the legislature, neither the amounts can be appropriated nor can the taxes be collected. Thus, it is seen that even after making the budget, if the government wants to work on its budget plan, it has to get it passed by the Parliament. Also, when the budgetary discussion takes place in the parliament, it provides the members with the opportunity to review the working of various departments and ministries and also they are able to gather information on the progress achieved in the implementation of various programmes undertaken by the government. Thus whether the newly proposed expenditures have any social and economic implications or not, all these informations can be gathered during the discussion. (<https://egyankosh.ac.in/bitstream/123456789/63030/1/Block-6.pdf>)

The following points explain how legislative control over expenditure helps in ensuring efficiency and economy in administration:-

1. It helps in ensuring accountability of the government. The government is answerable to the legislature explaining how the money is spent. Thus, ultimately as a result of legislative control over the budget, the government is accountable to the people.
2. It also helps in ensuring fiscal discipline.
3. It helps in eliminating corrupt practices and wastage of public money and thus it helps in ensuring that public money is spent for public good and benefit.
4. Also, it helps in the process of policy review.

Legislative control over expenditure is exercised mainly in two stages: first, at the time of policy-making and the second while reviewing the implementation of the policy.

3.4 Budget in UK

The House of Commons can initiate any measure, ordinary and financial, and most of the great contentions and important laws originate there and the verdict of the House of Commons finally determines their fate. “Who holds the purse holds the power” once wrote Madison in the Federalist. This sentence explains clearly the importance of budget and control exercised over the nation’s purse. The Parliament Act of 1911

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defines money bill as a public bill, which in the judgement of the Speaker of the House of Commons contains provisions like the imposition, repeal, remission, alteration or regulation of taxation; the imposition, for the payment of debt or other financial purposes of charges on the Consolidated Fund; the appropriation, receipt, custody, issue or audit of accounts of public money etc. Now let us come to the concept of budget which we already know from the study of the previous unit. The Budget is an annual financial statement. In UK, the financial year begins on April first. The Chancellor of the Exchequer makes his budget speech, reviewing the finances of the past year and detailing the financial programme of the current year. The estimates are discussed in the Committee of the Whole on Supply. The budget speech gives the opportunity for reviewing the Exchequer finances and the economic state of the nation. It involves on one hand the estimates of annual financial expenditure and on the other hand, a calculation of anticipated revenue. Thereafter, the Parliament authorizes the expenditure of public money which takes the form of an Act of Parliament and such an act authorizes the payment of money out of the Consolidated Fund, which is a great reservoir into which all the revenues of the kingdom are poured and out of which all the money required for public expenditure is drawn. Annual budget prepares a way for the passage of Appropriation Act and Finance Act. Just like in India, in UK also no tax can be collected without the approval of the Parliament. The estimates are presented in sections and each section is taken up for votes. The debates in supply on the estimates are almost invariably general debates on the policy of the government which gives an opportunity to the ministers to explain and defend their proposals and also gives an opportunity to the opposition to air their grievances or to criticize the general policy of the government. Here one thing needs to be mentioned that the members may propose to reduce any item of expenditure but they have no right to add on increase any amount. When the estimates have all been debated, the whole is then embodied in an Appropriation Bill and thereafter going through the usual stages of the House is passed by the House. It may be noted here that the Committee of Supply sanctions all the expenditures of public money which is not otherwise sanctioned by an Act of the same session or which is paid directly out of the Consolidated Fund.

The Committee of Ways and Means has the following functions: in the first place, before any money voted in the committee of supply can be withdrawn from the Consolidated Fund, it must be authorized by a resolution of the committee of ways and means. And secondly, important function of the committee is the raising of revenues. After the Committee of Ways and Means have voted all the revenue proposals, its resolutions are embodied in Annual Finance Bill just as the resolutions of the committee of supply are embodied in the Appropriation Bill. Thereafter, the Finance Bill is introduced and put through the different stages as prescribed for an ordinary public bill. After passing through the House of Commons, the Finance Bill goes to the House of Lords, where it is not examined in detail. The Parliament Act of 1911 requires that it must be returned to the House of Commons before the expiry of a period of one month.

3.5 Scrutiny of Expenditures:

Unless scrutiny of expenditures is made, the budgetary control becomes insignificant because ultimately how the money is spent, that must be seen. In this matter, the House of Commons is assisted in discharging the responsibilities by the Comptroller and Auditor General and also by the Public Accounts and Expenditure Committees. The Comptroller and Auditor General as an officer of the House of Commons is charged with the responsibility of controlling the issues of public money to and from the exchequer and also with the responsibility of auditing departmental accounts and submitting reports to the Parliament. He is also asked to examine the departmental expenditures with a view to drawing attention to any cases of extravagance and wastage.

The Public Accounts Committee was first set up in 1861 and has been entrusted with the responsibility to ensure that the expenditure was properly incurred for the purpose for which it had been voted. The committee thus plays a pivotal role in ensuring proper use of funds and is an instrument for the exposure of waste and inefficiency. It embodies its findings in the reports which are discussed in each session in the House of Commons.

The Expenditure Committee was established in 1971 to replace the former Estimates Committee. The following are the functions entrusted

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to the committee: (a) the committee is charged with considering as to how the policies implied in the figures or projected expenditure and in the estimates could be carried out more economically, and, (b) the form of the papers and estimates presented. The committee has established a steering sub-committee and six functional sub-committees on public expenditure. Most of the reports of the committee like those of the Public Accounts Committee are debated and discussed in the House.

Thus, there are various devices which help the Parliament to keep proper scrutiny of expenditures. It is true that the Public Accounts Committee and the Expenditure Committee can only partially remedy the supervision of the national finances but at the same time, it needs mention that the government departments are very nervous of these committees. Thus, these committees have been successful in controlling governmental expenditure. However, there are certain challenges too. The parliament has very little time to delve deep into the government's financial proposals. The allotted time period allows only a superficial examination of the provisions.

Thus from the above discussion it is seen that when the House of Commons passes the budget proposal, it is sent to the House of Lords for approval. Like in India, the upper house has limited powers regarding money bills and after the approval of both the houses, it is sent to the King/Queen for the final approval. So we have seen that the process of enactment of the budget is almost similar to the process in India. We have also seen from the above discussion that two committees: the Committee of Supply (for expenditure part) and Committee of Ways and Means (for the revenue part) plays pivotal role in UK.

3.6 Current Developments:

With the recent trend of modernization of the techniques to control the public expenditure, there is tremendous improvement in the process of gathering financial information by the parliament and also it led to improvement in the systems of audit and accountability. We have noticed from the above discussion that over the past decade there has been an increasing Treasury influence over the public expenditure controls. Following the implementation of the Government Resources and Accounts Act 2000, the resource

accounting and budgeting started operating across all the governmental departments. Since 1997, due to the introduction of the Chancellor's Pre-Budget Consultation process, it has become possible to scrutinize before the final budget decisions are taken. Thereafter, Lord Sharman's Report, *Holding to Account: The Review of Audit and Accountability for Central Government* (2001) argued that public spending need to have greater scrutiny than that of private money. Sir Peter Gershon also undertook a *Review of Public Sector Efficiency* in 2003 and considered how public resources can be better allocated. Thereafter, the Hampton Review 'Reducing Administrative Burdens' (2005) proposed the removal of certain unnecessary and inefficient burdens. Along with the main budget provided annually, the supplementary budget information (2002 – 2003) also provided the bulk of financial information and the Fundamental Expenditure Review introduced by the Treasury in 1993 continued to advise the departments regarding their spending trends and to see whether they are sustainable and appropriate or not. Thus, the above discussion proves beyond any shadow of doubt that due to the above measures the control over public expenditure has developed sufficiently. <McEldowney, J., Jowell, J., & Oliver, D. (2000)>

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3.7 Accounting Officers:

Each governmental department has an Accounting Officer who is appointed by the Treasury and who is responsible to the House of Commons for the authorization and control of the departmental expenditure. Accounting Officers have to discharge important functions like: to ensure that the resources in their department are used in the most economic, efficient and effective ways taking account of regularity and propriety; to ensure that there is adequate internal audit conforming to the Governmental Internal Audit Manual (GIAM); to maintain adequate and suitable financial records and to manage and safeguard the public funds. Thus, the Treasury through the Accounting Officers exercise powerful influence on public expenditure. The Treasury has become more powerful and influential under Gordon Brown, one of the longest serving Chancellor of the Exchequer. Moreover, the development of resource accounting and resource budgeting under the Government Resources and Accounts Act, 2000, has been intended to

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examine the public expenditure more accurately. It needs mention here that for a brief period from 1993 to 1996, the government adopted a ‘unified budget’ and in July 1997, the government again reverted to the spring budget. Parliamentary control of the purse is not a new phenomenon but it dates back to the Glorious Revolution of 1688-89. Government Accounting 2000, the Code for Fiscal Stability of March 1998 etc again played instrumental role. The Code is inspired by the government’s desire to bring openness, transparency and accountability over monetary policies. In 2004, the government again introduced a reform aimed to strengthen parliamentary and select committee scrutiny of the estimates. <McElDowney, J., Jowell, J., & Oliver, D. (2000)>

Self Assessment Question

Q. Do you think that legislative control over expenditure is effectively done in UK? Discuss.

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Stop to Consider:

Some relevant facts related to legislative control over expenditure in UK:-

- The Public Accounts Committee of the British House of Commons was the first and also remains as the outstanding example of a Parliamentary Audit Committee.
- The functions of the committee have enlarged over the years so as to include within its ambit inquiries into financial and administrative practices.
- Control of spending can be exercised only by the House of Commons. The Parliament Act of 1911 provides that all supply and Appropriation bills must be certified as money bills and can receive royal assent without the consent of the upper house.

- Once the House of Commons has agreed the budget resolutions, the Finance Bill starts its passage through Parliament in the same way as any other bill.
- Following each budget statement, the Treasury Committee conducts an inquiry into the government's proposals.

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Check Your Progress:

1. Examine the need for legislative control over expenditure. Discuss the devices for legislative control over expenditure in UK.
2. Discuss the devices of Parliamentary control over expenditure in UK. Critically examine its effectiveness.
3. Discuss the devices for legislative control over expenditure in India and UK with special reference to the role of the Public Accounts Committee in both the countries.
4. Make a comparative analysis of legislative control over expenditure in India, UK and USA.

3.8 Summing Up

Thus, one of the most effective way in which the legislature exercises control over the executive is through budget. We have seen that in UK too there are various committees through which the legislature exercises control over expenditure. We have also seen that the control of public finance is the prerogative of the House of Commons. Improvements in the systems and techniques for the control of public expenditure has thus resulted in better provision of securing financial information and also helped in strengthening the systems of accounting and auditing. Also the governmental expenditure objectives have become more visible and transparent than before.

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Unit- 4

Budget in USA – Legislative Control Over Expenditure

Unit Structure:

- 4.1 Introduction
- 4.2 Objectives
- 4.3: Budget in USA
 - 4.3.1 The Federal Budget Process
 - 4.3.2 Congress and the Budget
- 4.4 Control of Public Expenditure
- 4.5 Preparation of the Estimates
- 4.6 Summing Up
- 4.7 References and Suggested Readings

4.1 Introduction

We have already understood from the discussion of the previous units that budget occupies a vital place of importance in all the countries. It is because no work can be done in the absence of money. Thus finance is the fuel for administration. Effective control over public expenditure is the sine qua non of good public financial management. In the absence of effective expenditure control, there arises the problem of macroeconomic stability and fiscal discipline and also leads to the question of the integrity of the public financial management. Moreover, people might lose their trust in a government's stewardship over the public resources. Thus, legislative control over expenditure is much needed. In this unit, we will make an attempt to study about the budget in USA throwing focus on the legislative control over expenditure in USA.

4.2 Objectives

The basic objective of legislative control over expenditure is to ensure that the public resources are spent judiciously and as intended within the authorized limits and also following sound financial management principles. After studying this unit, the learners will be able to:-

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- *Discuss* about the budget in USA.
- *Explain* the legislative control over expenditure in USA.

4.3 Budget in USA

In USA, a sound, complete, effective and practical budget system came into existence only after the Budget and Accounting Act of 1921. Before that, there was no coherent budget in USA and there was an executive office to enable the President to discharge the responsibilities with regard to the expenditure of the administrative agencies. At that time, each department of government submitted and defended its budget directly to the Congress. However, the Act of 1921 vests in the President the sole responsibility for requesting the grant of funds by Congress and also empowers him to assemble, correlate, revive, reduce or increase the estimates of the several departments and establishments. He is required to submit to the Congress the budget containing the estimated revenues and expenditure and also the activities of the government as recommended programme. The Constitution provides that all bills for raising revenue shall originate in the House of Representatives. However, it needs mention here that the Senate possesses co-equal powers with the House of Representatives in accepting or rejecting the finance bills, but in practice it actually functions as a court of Appeals in the matters of financial legislation often mending the defects of such measures sent over from the House. Thus, it is clear to all of us that the budgetary powers of the Congress are great and both the Congress and the President are instrumental in shaping the national policy-making. The Act of 1921 created the Budget Bureau for performing the work as required of the President. It has been empowered to supervise the spending activities of the various agencies and also to advise the President regarding the steps to be taken so as to bring about greater economy and efficiency in the administrative system. The director of the budget is appointed by the President and acts directly and solely under the President. It is pertinent to mention here that since 1939, the Bureau has become the President's largest and most valuable staff agency. Moreover, for the purpose of auditing, the Act also created the independent General Accounting Office headed by the Comptroller General.

As we have discussed above, the budget process was established by the Act of 1921 and thereafter, various other changes were brought about by the Congressional Budget and Impoundment Control Act of 1974 and other additional budget legislation. The Congressional Budget Act of 1974 played a vital role in the budgetary process as it created the Congressional Budget Office (CBO) which gained more control of the budget thereby limiting the powers of the President's Office of Management and Budget (OMB). (https://en.wikipedia.org/wiki/United_States_budget_process)

4.3.1 The Federal Budget Process

The United States budget process begins when the President of the USA submits a budget request to the Congress. The Act of 1921 requires the President to submit the budget to the Congress for each fiscal year, the period beginning on Oct 1 and ending on Sept. 30 of the next calendar year. This budget is formulated over a period of months with the assistance of the Office of Management and Budget (OMB) (https://en.wikipedia.org/wiki/United_States_budget_process)

President Warren G. Harding brought about the enactment of the Budget and Accounting Act of 1921 which required the submission of a budget by the President annually to the Congress. It also established the Bureau of the Budget to assist in the formulation of the budget. The Bureau of the Budget was initially within the U.S Department of the Treasury but in 1939, it was moved to the executive office of the President. (https://en.wikipedia.org/wiki/United_States_budget_process)

If we take a closer look at the budgetary process, we find that the process in the United States federal government is different from that in other OECD member countries. We already know from the study of the last block that United States has a strict separation of powers coupled with the concept of checks and balances. This is evident from the budgetary process followed in USA, where the Congress plays a vital role of importance. Let us again have cursory look at the steps followed in the federal budget:- The federal agencies create budget requests and submit them to the White House Office of Management and Budget (OMB), The

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OMB thereafter refers to the agencies' requests and develops the budget proposal for the President who submits the budget to the Congress. Proposed funding is divided among 12 sub committees which hold hearings, the House and the Senate creates their own budget resolutions which need to be negotiated and merged. Thereafter, both the houses must pass a single version of each funding bill and the Congress sends the approved bills to the President to sign or veto. (<https://www.usa.gov/federal-budget-process>)

It needs mention here that the Budget resolution serves as a blueprint for the actual appropriation process and also provides the Congress with some control over the appropriation process. Let us now have a look at some recent developments in the budgetary process. In the 1970s, the Congress changed its own budgetary process through the Act called the Congressional Budget and Impoundment Control Act of 1974 which created the Congressional Budget Resolution and established the Congressional Budget Office. During 1980s again, another innovative move was added with the aim of controlling the deficit. In view of the increasing deficit in the early 1980s, Congress established the Balanced Budget and Emergency Deficit Control Act, which is commonly referred to as the Gramm-Rudman-Hollings (GRH) Act of 1985. The law aimed at the gradual reduction of the deficit in the period of 1986 to 1990 and also aimed at a balanced budget in 1991. However, the Gramm-Rudman-Hollings (GRH) Act was fundamentally amended by the Budget Enforcement Act of 1990. The Budget Enforcement Act (BEA) was technically a revision of the GRH Act and this law focused on controlling the budgetary cost of new legislation rather than the deficit. The BEA was fairly effective until 1998 but the effectiveness of the BEA started to eroding since the beginning of 1998. (https://www.oecd-ilibrary.org/governance/budgeting-in-the-united-states_budget-v3-art8-en)

The BEA (Budget Enforcement Act) as well as its predecessor GRH (Gramm-Rudman-Hollings Act) stemmed from Congressional initiative but they had statutory status and thus were able to impose restrictions on the Presidential as well as the Congressional budget process. In all the years that it was in force, the Presidential budget adhered to these constraints as imposed by the Acts. (https://www.oecd-ilibrary.org/governance/budgeting-in-the-united-states_budget-v3-art8-en)

It is pertinent to mention here that the public expenditure in the U.S is determined by two types of legislation: Substantive and Appropriations legislation. It also needs mention here that OMB is a very powerful body in U.S because all the legislation and other submissions to the Congress must be firstly cleared by OMB. It is a part of the executive office of the President and along with its core budgeting functions, it also performs a key role in overseeing the co-ordination and management of the entire executive branch for the President. Regarding its procedure, in October and November, the Director of OMB convenes a round of department specific budget hearings which focuses on the analyses and recommendations prepared by OMB. The hearings cover the discretionary budget as well as the changes in authorizing legislation. Thereafter, on the basis of this review and other considerations, he Director of OMB takes the final decision and formally briefs and recommends a complete set of budget proposals to the President and senior advisors on the proposed budget policies. Next, the departments prepare their final requests in accordance with the totals as decided by OMB and the President and thereafter the budget is submitted to the Congress in February. This gives the Congress a time of six months to enact the required legislation before the start of the fiscal year on 1st October.

4.3.2 Congress and the Budget

We have already studied that the Congress plays a vital role in the whole budgetary process in U.S. But it must be borne in mind that U.S.A Constitution has strict adherence to the principle of Separation of Powers i.e., the three organs of government namely the executive, legislature and the judiciary are separated from each other. But since Congress has the ‘power of the purse’, this allows the Congressional involvement in the budgetary process. Prior to 1974, the congressional budget process was relatively unco-ordinated affair of authorization, appropriation and taxation. Since the process was unco-ordinated, individual appropriation committees were free to spend as they deemed necessary. But in 1974, as the size and scope of the government grew more complex, Congress passed the Congressional Budget and Impoundment Control Act of 1974. It is true that the President has a great deal of power to interpret the Congressional

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instructions and appropriations but still the President is highly constrained in moving resources and also legally prohibited from spending more than appropriated. If the directives are ignored, Congress can further constrain the President by making the directives much more explicit.

In order to help the Congress in the budgetary process, there are three main independent Congressional Agencies – the Congressional Budget Office (CBO), the General Accounting Office (GAO) and the Congressional Research Service (CRS). Congress can rely on these agencies for independent analysis of governmental reports. CBO is one of the most important Congressional institution in the budget process. Most of the work by the GAO focuses on the programme effectiveness reports and special investigations as requested by the Congress from time to time. And the CRS provides the Congress with in-depth programme analysis as well as programme experts who help with legislation. In addition to these, the Congress also created the departmental Inspector Generals (IGs) which constituted the internal control officials and their duties are carried out through a nation-wide network of audits, investigations, inspections and other mission-related functions. (https://www.oecd-ilibrary.org/governance/budgeting-in-the-united-states_budget-v3-art8-en)

Regarding performance budget in India, it was in 1993 through the Government Performance and Results Act (GPRA) and also support provided by other public management laws which were passed during 1990s that the U.S had a comprehensive performance-based management system. The passage of GPRA indicated a fundamental shift in the U.S budget system. The OMB Director opined that it is the foundation for much of what we seek to do as we go about the task of reinventing government. The main sponsor of the legislation, Senator Roth opined that this legislation is a major reform...instilling a new emphasis on programme effectiveness, service quality and responsiveness to the customers of the government, the American people. However, certain challenges were also felt in results-oriented budgeting. (https://www.oecd-ilibrary.org/governance/budgeting-in-the-united-states_budget-v3-art8-en)

4.4 Control of Public Expenditure

The Bureau of the Budget has been entrusted with the responsibility of controlling the expenditure of the departments and the agencies of the federal government of the USA. However, the ultimate control of expenditure under the US system lies with the Congress. (T. H. Caulcott)

The role of the political institutions in the allocation of public resources has been given much importance in representative democracy. In USA, Article 1 of the Federal Constitution provides that “no money shall be drawn from the treasury but in consequence of appropriations made by law.” This means that no agency of the federal government can incur an expense without legislation authorizing the expenses which again need to be passed by both the Houses of Congress and approved by the President.

Let us now have a look at the Accounting process through which money is spent in the federal government. It involves the following steps:-

1. The preparation of future estimates of expenditures by a spending agency;
2. The review, where if needed, there is the reduction of the agency’s proposals by the Bureau of the Budget and the President;
3. The review by the committees of the two Houses of the Congress of the recommendations of the President and the enactment of an appropriation measure by the Congress;
4. The incurring of the expenditure by the spending agency;
5. The receipt of the goods or service and the pre-audit and payment of the bill; and,
6. The post-audit by the General Accounting Office. (E. L. Kohler)

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Stop to Consider:

The U.S Congress:-

The U.S Congress is a bicameral legislature composed of a House of Representatives (lower House) and a Senate (upper house). There are 16 standing committees in the Senate as well as other special or adhoc committees. Similarly, in the House, there are 19 standing committees as well as other special committees. Moreover, there are

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several Joint committees like the Joint Committee on Taxation. Each chamber has three main committees which play a vital role in the U.S budgetary process: a Budget Committee, an Appropriation Committee and a Tax Writing Committee (known as the Finance committee in the Senate and the Ways and Means committee in the House).

4.5 Preparation of the Estimates:

The Budget and Accounting Act of 1921 provides for the appointment of a Budget Officer by the head of each agency, who prepares the estimates and the Bureau of the Budget issues regulations each year prescribing their form and content. However, it is seen that there is no uniformity among the governmental agencies regarding the method to be followed by the budget officers in obtaining future estimates. While presenting the Agency's estimates to the Bureau of the Budget, attempt is made to show whether the work volume of each organizational section will continue, decrease or increase as compared with the previous year. Since 1939, the Bureau of the Budget has been acting as a direct aid to the President in the preparation of the annual budget called for by the Act of 1921. It needs mention here that the relation between the Congress and the spending agencies are maintained through standing committees and the appropriations committees. (E. L. Kohler)

Self Assessment Question

Q. In the absence of effective expenditure control, people might lose their trust in a government's stewardship over the public resources. Discuss this statement in the context of representative democracy.

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Stop to Consider:

Tax reform legislations:-

Various legislations have been passed from time to time so as to bring reform in tax process in US. Some such legislations are like the Tax Reform Act of 1969, the Revenue Act of 1978, the Tax Reform Act of 1986 and the Omnibus Budget Reconciliation Act of 1990. With the increase in pace and complexity of such tax legislation, various changes came in the system and each new statute was cluttered with the particularistic provisions thereby setting out some narrow rules and exceptions for specific constituents and interest groups (Michael Doran).

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Thus, from the above discussion, we understood the fact that the Congress plays a vital role in the enactment of the budget. Firstly, the President who heads the executive branch is required to submit an Annual budget which is a statement of the proposed priorities but the Congress may or may not consider some of the proposals. The President can veto the bills although the Congress can override the veto. Thereafter the President implements the budget decision. Just as the President submits a budget proposal annually, similarly the Congress also sets priorities in a budget blueprint known as the budget resolution. Moreover, the Congress also enacts various pieces of legislations so as to authorize or re-authorize the programs, change the federal tax laws and provide funding for the federal programs. Thus, the process of considering the budget is a complicated one where many laws, rules and procedures affect the proposal and consideration of spending. The Congressional Budget and Impoundment Control Act of 1974 also need mention here.

Self Assessment Question

Q. The budgetary process in the United States federal system is different from that in other OECD member countries. Discuss.

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Check Your Progress:

1. Discuss the budgeting procedure and practice in India and the USA with special reference to the role of the Parliament in India and the Congress in the USA.
2. Discuss the devices of legislative control over expenditure in USA. Critically examine its effectiveness.
3. Examine the need for legislative control over expenditure. Discuss the devices for legislative control over expenditure in USA.
4. What is budget? What do you mean by performance budgeting? Discuss the process of budgeting in USA with special reference to the role of the legislature.
5. Discuss the devices for legislative control over expenditure in India, UK and USA.

4.6 Summing Up

It is seen from the above discussion that due to the unique features of the United States Constitution and customs, the U.S Congress has been able to play the most powerful role as a legislative body. The U.S Congress has an extensive role in the whole budgetary process and many of the obstacles can actually be removed through the co-operation between the President and the Congress. We have also seen how despite the presence of the principle of separation of powers, through the unique principle of checks and balances, the Congress can exercise effective control over public expenditure. Lack of adequate effective control over the governmental expenditure remains a problem in many countries. Thus, there is the need of effective legislative control over expenditure in all the countries so as to prevent the government from getting corrupt.

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Unit - 5
Audit in India, U.K. and U.S.A.

Unit Structure:

- 5.1 Introduction
- 5.2 Objectives
- 5.3 Meaning and Significance of Audit system
 - 5.3.1 Objects of Audit
- 5.4 Audit in India
- 5.5 Difference between Auditing and Accounting
- 5.6 Comptroller and Auditor-General of India
- 5.7 Controversy over Audit: Appleby's Criticisms
- 5.8 Audit in U.K.
- 5.9 Audit in U.S.A.
- 5.10 Summing Up
- 5.11 References and Suggested Readings

5.1 Introduction

Audit is an inevitable and indispensable part of the parliamentary control over the public finances. It is done to ascertain the accuracy of the financial statements provided by an organization, with the intent to check and verify the accounts by an independent authority so as to ensure that all the financial transactions are done in a fair manner. Through proper auditing, a system can check or prevent misrepresentation or fraud that is being conducted. Thus, audit is an aspect of external control over administration with the intent to enforce accountability. In this unit, we will discuss about the audit system as practiced in India, U.K and U.S.A.

5.2 Objectives

After reading this unit, the learners will be able to:-

- *Discuss* about audit system in India.
- *Analyse* the audit system in U.K.
- *Explain* the audit system in U.S.A.

- *Distinguish* between the audits systems as practiced in the three countries of India, U.K and U.S.A.

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5.3 Meaning and Significance of Audit System

Audit occupies a vital place of importance in all the countries. It is through proper audit that corruption and financial anomalies can be detected. Highlighting its importance, Comptroller-General of the United States once said: “one of the important objectives of the audit... is to fix the accountability of the officers of the Government... for any illegal, improper or incorrect payments made, resulting from any false, inaccurate or misleading certifications made by them as well as for any payment prohibited by law which did not represent a legal obligation under the appropriation of fund involved.” Now, what is actually Audit? It is an examination and verification of the accounts after transactions are completed in order to discover and report to the legislative body any unauthorized, illegal, or irregular expenditures, any financial practices that are unsound and whether the administration has faithfully discharged its responsibility. (Avasthi and Maheshwari)

Auditing implies an analysis of the proposed or past expenditures with respect to their legality and also desirability. Independent audit is a very important safeguard of the public money and audit helps in assuring that the public money has been spent economically and honestly. According to Robert H. Montgomery: “Auditing is a systematic examination of the books and records of a business or other organization, in order to ascertain or verify, and to report upon, the facts regarding its financial operation and the results thereof” (Ashu Pasricha).

5.3.1 Objects of Audit:

Auditing is done so as to ensure that the following objectives are fulfilled:-

1. To see that there is a provision of funds for the expenditure duly authorized by the competent authority;
2. To ensure that the expenditure has been done in accordance with a sanction properly accorded and also that it is incurred by an officer competent to incur it;

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3. To see that the payment has been made to the proper person and that it has been so acknowledged that a second claim cannot be made against the same account.
4. To see that in the case of audit of receipts, the sums due are regularly recovered and checked against demand and that the sums received are duly brought to credit in accounts;
5. To see that in the case of audit of stores and stock, where a priced account is maintained, the stores are priced with reasonable accuracy and that the rates initially fixed are reviewed from time to time and correlated with the market rates and revised as and when required;
6. To ensure that the expenditure conforms to the general principles which for long has been recognized as standard of financial propriety. Also, to see that the public moneys are not utilized for the benefit of a particular person or section of the community.

5.4 Audit in India:

Indian Audit and Accounts Department was created as early as in 1753. However, independent audit emerged mainly in 1919 with the inauguration of the Montford Reforms. At that time, he was appointed by the Secretary of State and held office during the pleasure of Majesty. He used to submit his reports to the Secretary of State through the Governor-General-in-Council. Thereafter, the Government of India Act of 1935 further provided for the enhancement in his status and importance and to ensure his independence, he was debarred from holding any office under the Crown after he had vacated his office. After independence, with the enactment of the Constitution in 1950, the Auditor General of India was re-designated as the Comptroller and Auditor General of India and his status and responsibilities were enhanced in certain aspects. Actually, in a parliamentary system of governance, there is the need of control to ensure that the expenditure sanctioned by parliament has actually been spent in terms of the law of Parliament, that is, in accordance with the Appropriation Act or Acts. The office of the Comptroller and Auditor-General is the fundamental agency which helps the Parliament in discharging this duty efficiently. The

Comptroller and Auditor-General is the guardian of the public purse whose function is to see that money is not spent without the authority of the Parliament. Thus, it is the prime responsibility of The Comptroller and Auditor-General to audit the accounts of the Union and to see that the expenditure incurred conforms to what has been sanctioned by the Parliament and also to see that it has been done in accordance to the rules as sanctioned by parliament. Thereafter, it is the duty of the Comptroller and Auditor-General to submit his report of audit to the President who has to lay it before each House of the Parliament. The Comptroller and Auditor-General is appointed by the President and can be removed from office on the like grounds as that of a judge of the Supreme Court. In order to enable him to function properly with independence and fearlessness, it has been provided that he is not given any re-employment under the state after his retirement. Moreover, his salary, allowances and pensions are not subjected to the vote of parliament but these are charged upon the Consolidated Fund of India and cannot be varied to his disadvantage after his appointment. The Constitution does not precisely define the terms and conditions of service nor his duties and powers but leaves it for the Parliament to define. Thus, it has been provided that the salary and other conditions of service of the Comptroller and Auditor General shall be such as may be determined by Parliament by law and until they are so determined, shall be as specified in the Schedule.

It needs mention here that the duties and powers of the Comptroller and Auditor General have embraced both the audit and accounting of all the financial transactions of the central government as well as the governments of the states till 1976. However, since 1976, his responsibilities in regard to the compilation and maintenance of accounts has been removed from his jurisdiction and his duty is now to audit all expenditures from the revenues of the central government or state governments and to ascertain whether the money shown in the accounts as having been disbursed were legally available for and applicable to the service or the purpose to which they have been applied.

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The following functions are presently performed by the CAG:-

1. He audits all receipts into and expenditure from the Consolidated Fund of India.
2. He audits all transactions of the Centre and that of the state governments relating to the Contingency Funds and public accounts.
3. He audits the accounts of institutions financed by government.
4. He audits the accounts of government companies and statutory corporations.
5. He audits the Appropriation Accounts and Finance Accounts of the Union Government to ensure that they have been correctly prepared.
6. He also compiles the accounts of the states. (Avasthi and Maheshwari)

5.5 Difference between Auditing and Accounting

Auditing and Accounting are very closely related but still there exists a great deal of difference between the two concepts. That is why, it is essential that both accounting and auditing should be maintained as separate functions and both should not be combined in the same agency. The maintenance of accounts is actually the executive function of the spending authorities and when administration maintains its own accounts, it can always have a clear financial picture. The following are some of the differences:-

1. The process of Audit begins where the process of accounting ends. Accounting means properly maintaining systematic record of financial transactions. Unless accounts are maintained properly, it is impossible to know how much money was spent and received and for what purpose. And in the absence of such knowledge, no effective control can be exercised. However, Audit goes a step further and it ensures that the expenditure is in accordance with the Appropriation Act and that all the payments are correct as they are supported by documents and vouchers. Thus, Audit process helps in detecting errors and frauds and thus exercise an effective check on misappropriation and mismanagement.

2. Accounting is an executive function whereas Audit is the function of the legislative branch of government.
3. Moreover, Auditing guides Accounting because the Audit department generally prescribes the accounting system, because if the spending departments adopt different methods of accounting then it will make the task of auditing a difficult one.

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Stop to Consider:

Types of Audit:-

Broadly we can say that there are two types of Audit: Pre-audit and Post-audit.

Pre-audit: This type of audit takes place prior to the payment of an obligation and it is generally conducted within the executive branch. It is concerned with the proper examination of the elements of a transaction before it is completed. The basic purpose of pre-auditing is to know the availability of funds and also the legality of expenditure. Thus, if done properly, pre-audit can prevent over expenditure of budget resources.

Post-audit: As the name indicates, post-audit is done after the transactions have been completed and recorded. Thus, it is done after the money has been actually spent. The basic purpose of post-audit is to check whether any illegal expenditure has been made or it has been done in accordance with law. Since it is a kind of check on the administrative branch, the task is to be performed by persons who are outside that branch.

Self Assessment Question

Q. Auditing implies an analysis of the proposed or past expenditures with respect to their legality and also desirability. Discuss. (80 words)

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5.6 Comptroller and Auditor-General of India:

The Constitution of India has provided for the office of the Comptroller and Auditor-General of India, who is a high independent statutory authority and his main responsibility is to see that the expenses as voted by the legislature are not exceeded or varied and that the money spent is legally available for and applicable to the purpose for which it has been spent. Article 148 of the Constitution provides that the Comptroller and Auditor-General shall be appointed by the President under his hand and seal and shall only be removed from office in manner and on the ground similar to that of a judge of the Supreme Court. The Comptroller and Auditor-General of India is the administrative head of the Indian Audit and Accounts department.

The Constitution of India says that:

1. There shall be a Comptroller and Auditor-General of India who shall be appointed by the President by warrant under his hand and seal and shall only be removed from the office in like manner and on the like grounds as a judge of Supreme Court.
2. Every person appointed to be the Comptroller and Auditor-General of India shall, before he enters his office, make and subscribe before the President or some persons appointed in that behalf by him, an oath or affirmation.
3. The Comptroller and Auditor-General shall not be eligible for further office either under the Government of India or under the government of any state after he has been ceased to hold his office.
4. The administrative expenses of the office of the Comptroller and Auditor-General including all salaries, allowances and pensions payable to or in respect of persons, serving in that office, shall be charged upon the Consolidated Fund of India. (Ashu Pasricha).

It needs mention here that Article 150 of the Constitution empowers the Comptroller and Auditor-General to prescribe the form in which the accounts of the union and the states are to be kept, with the approval of the President. This is done with the intention of maintaining maximum degree of uniformity in accounting of various government departments. The Comptroller

and Auditor-General need to prepare an annual report for each of the governments whose accounts are audited.

Thus, the above discussion proves beyond any shadow of doubt that the Comptroller and Auditor-General plays a very important role and acts as an 'extended arm' of the Parliament because it helps in controlling public expenditure. His report is the most impartial as it is based on factual data and so, the reports focuses on the faithfulness, wisdom and economy of the expenditures. Commenting on the important role of the Comptroller and Auditor-General, Sitaramayya opined: "The Comptroller and Auditor-General today has been installed as a supreme master who has his own judgement to look to and who has no frowns or favors to be guided by from outside."

5.7 Controversy over Audit: Appleby's Criticisms

Appleby, an American expert on Public Administration has strongly criticized our Audit system in his second report on the Indian Administration. Let us now have a look at what he opined: "The function of the Comptroller and Auditor-General in India is in large measure an inheritance from the colonial rule. The function did not impede British rule; it upheld that rule and was an integral part of it. It greatly restricted the Indians who served the government. These restrictions were sought by the government, in situation of provincial administration largely concerned with police and taxation functions and not engaged in rapid pursuit of welfare state objectives."

We can sum up here the main points of Appleby's criticisms as follows:-

1. The system is in large measure an inheritance from the colonial rule;
2. The Parliament and public gave undue importance to the audit report;
3. Auditing has a narrow perspective and very limited usefulness;
4. Audit of public undertakings is not done properly;
5. Auditing is strictly negative and aggressive which does not suit the needs of a welfare administration.

However, these criticisms as pointed out by Appleby are not that justified as the observations are intensely coloured. His attitude has been conditioned by the American governmental pattern where the CAG may not play an important part in the administrative set-up. But Indian

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Administration owes much to the British system which accords an important place to the CAG. Audit in our country is the watchdog of the country's finances and it provides a healthy safeguard against the misuse of public money and therefore, it must not be either scrapped or relaxed.

5.8 Audit in U.K

Britain was the first country to provide for an audit of public accounts so as to ensure and ascertain that the behests of Parliament were complied with or not. The provisions were embodied in the Exchequer and Audit Departments Act of 1866 and the powers of the Comptroller and Auditor General have been considerably widened. His statutory function is to ensure that all the expenditures are properly incurred and also to see that no payments are made which go beyond any relevant statutory authority and that the Treasury sanction has been obtained wherever necessary. Also, he is to examine the various departmental expenditures with a view to drawing the attention of the Committee to any cases of apparent wastage or extravagance. Thus, we see that the provisions of Audit in India and U.K are similar in nature.

Independence is seen as the cornerstone of the accounting profession and one of its most precious assets (Mednick, 1997). Auditor independence has been recognized as important and further change in the auditing environment arose from the Cadbury Committee which issued a code of best practice. Also a system of audit regulation and pro-active monitoring was introduced in 1991. The resultant improvement in the quality of auditing standards combined with the introduction of audit regulation is intended to improve audit practice and auditor independence.

5.9 Audit in U.S.A

In the United States, an independent audit system emerged with the inauguration of the Budget and Accounts Act of 1921. The Comptroller General is appointed by the President with the advice and consent of the U.S Senate for a period of fifteen years. However, he compulsorily retires on attaining the age of seventy. He audits various governmental financial transactions and determines how the agencies are managing their financial

activities. Also, he has the power of disallowance and if a particular expenditure is disallowed, then the disbursing officer is liable for the amount.

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Check Your Progress

1. Discuss the Meaning and Significance of Audit system. Do you think that Audit system helps in preventing misuse of public money?
2. Make a comparative analysis of Audit system in India, U.K and U.S.A.
3. Discuss the functions performed by the CAG in India.
4. Explain the differences between Auditing and Accounting.
5. Make a critical analysis of the audit system in India.

5.10 Summing Up

Thus, we have discussed above the system of Audit as practiced in the three countries of India, U.K and U.S.A. we find that in all the three countries, the system and the official has its own place of importance. Whether it is a presidential system of governance or a parliamentary democracy, the ultimate need is that there must be someone who looks into the matter that public money is spent judiciously and in accordance to the law.

5.11 References and Suggested Readings

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BLOCK: 4
LEGISLATIVE CONTROL OVER
ADMINISTRATION AND ADMINISTRATIVE
REFORMS

Unit 1 : Need for legislative control over administration

Unit 2 : Legislative control over administration in India and USA

Unit 3 : Administrative Reforms in India

Unit 4 : Administrative Reforms in UK

Unit 5 : Grievance Redressal Machinery: concept of Ombudsman: Lokpal in India, Parliamentary Commissioner in UK

Unit -1

Need for legislative control over administration

Unit Structure:

- 1.1 Introduction
- 1.2 Objectives
- 1.3 Need for Legislative Control over Administration
- 1.4 Limitations of Legislative Control
- 1.5 Summing Up
- 1.6 References and Suggested Readings

1.1 Introduction

Today, we are living in the era of welfare state. In this era, the functions of government have increased and have become multi-faceted and multi-dimensional. Now-a-days, government has to look after various aspects, leading to phenomenal increase or expansion of governmental functions, thereby increasing the scope of misuse of governmental power. But the enlightened public opinion is always in favour of getting good governance, which is transparent and free from corruption. The twin concepts of 'good governance' and 'welfare state' require that certain instruments of control must be devised in order to minimize the chance of misuse of power and authority. Thus, certain instruments of control over administration have been devised, like legislative control, judicial control, executive control, ombudsman etc. In this unit, an attempt is made to study the need of legislature to exercise control over administration so as to keep the administration in right track. It is regarded as the most effective remedy available against the administrative excesses.

1.2 Objectives

This unit deals with the need of legislative control over administration. After reading this unit, you will be able to:

- *understand* the need of such legislative control over administration

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- *examine* the various techniques devised by the legislature to exercise such control
- *evaluate* the limitations of such control

1.3 Need for Legislative Control over Administration

Now-a-days, as a result of phenomenal expansion of governmental activities, administration is draped with unparalleled powers. The multifarious and complex functions of government cannot be performed effectively unless we vest public services with adequate authority and discretion. But at the same time, it must be admitted that power has a corrupting influence and there is a direct relationship between the extent of power and the extent of corruption. The grant of powers inevitably carries with them a fear of their abuse or misuse. So, it becomes necessary that public administration must exercise power with restraint. Thus, the need for effective control over administration is obvious. In the words of White, "It is obvious that an administrative system is an agency possessing great power. Power in a democratic society requires control, and the greater the power the more the need for control. How to vest power sufficient to the purposes in view and maintain adequate controls without crippling authority is one of the historic dilemmas of popular government." Thus, legislative control over administration is essential in order to minimize and eliminate the misuse and abuse of authority. This will enhance the twin concepts of efficiency and economy in administration.

Thus, the need for effective legislative control over administration can be summarized under the following points :

- (a) It eliminates the chances of misuse and abuse of administrative authority.
- (b) It helps in increasing 'efficiency' and 'economy' in administration.
- (c) It makes public administration accountable, which acts as a check against arbitrary use of authority.
- (d) It helps in making democracy a success.
- (e) It also helps in protecting the rights and freedom of the citizens.
- (f) The budgetary control helps to ensure optimization of the available resources.

(g) Since it consists of the representatives of the people, the legislature is obviously the branch of government to whom the administration should be accountable.

(h) Finally, it is the legislature which makes, amends and repeals laws, formulates broad national policies, grants funds for financing government programmes and so, exercises overall direction, supervision and control of public administration.

So, from the above discussion, it is clear to us that the legislative control over administration is essential so as to maintain efficiency and economy in administrative set-up.

Democratic ideology requires the control of administrative actions by the elected representatives of the people and legislators understandably see themselves as the community's primary agents for the job of reviewing the administrative performance. (Seymour Scher)

The budget is always considered as an instrument of legislative control over administration. It is true that the relationship between the legislative and the executive branches of government largely determines the success or failure of a democratic system. The budget which is the most important instrument of legislative control is at the very core of democratic government. Here, two things can be noted. A budget which is devised primarily as an instrument of legislative control seems to help bringing in efficiency in the administration. On the other hand, a budget which leaves wide discretion and freedom of action to the executive management appears to become less effective as a means of legislative control. (Harold D Smith)

In a democracy, the legislature represents the people and thus, legislative control over administration is important because since the elected leaders represent all the people, they need to ensure that the government officials are working for public benefit. Also, it helps the administrators to serve people better because the legislative check helps them correct any mistake on their part. Also, legislature organizes investigations through various committees and they look closely at how the governmental sector is functioning.

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There are different types of legislative control over the administration:

1. One type of control is financial control where the legislature exercises control through the budget and approval of taxes.
2. Another type of control is appointment related control because the members of legislature approve who become the leaders of administration.
3. Control is also exercised through investigation where they investigate through various committees and the committees look closely at how the government is actually functioning. The investigating committees bring to light various inefficiencies in administration, cases of corruption or policy failures in the administration. The legislature can use these committees to look closely at the problems within the administration and the committees can recommend various solutions to make the administration work better. Administrative reform can help improve legislative control over administration.
4. Oversight control is also exercised over the administration by asking various questions in the Parliament.

It needs mention here that effective legislative control over the governmental expenditure is needed because: firstly, the legislature should satisfy itself that the appropriations have been utilized economically for the approved purposes and secondly, it should undertake a detailed examination of the annual budget estimates of the government so as to make the necessary suggestions of possible economies in the implementation of the plans and programmes embodied therein. Both these functions are of pivotal importance. In our country, the Parliament has not the time and energy to perform these functions. It, therefore, has constituted four committees composed of members belonging to it, to devote themselves to these functions. These four committees are: Public Accounts Committee, Estimates Committee, Committee on Public Undertakings and the department related standing committees. (Avasthi and Maheshwari)

Thus from the above discussion it is clear to us that this control over administration is necessary to check the dangers of overriding bureaucratic power and to facilitate corrective measures against the despotic exercise of power by the public servants.

In India, we have Parliamentary system of government which is based on the principle of collective responsibility. The ministers are responsible to the Parliament for their policies and actions and the officials i.e., the administrators remain behind the veil of ministerial responsibility. Thus always the ministers take responsibility for the actions of the administrators working under his ministry or department.

The Parliament exercises control through various techniques and modes:-

Law making:- We know that the principal function of the Parliament is to make laws and thus the Parliament lays down the policies of the government by making, enacting, altering, amending or repealing the laws. By making laws, Parliament determines the structure, powers, functions and procedures of the administration. However, due to time constraint and many other factors, the Parliament generally makes laws in a skeleton form and authorizes the executive to make detailed rules regulations within the framework of the parent law and this is known as the power of delegated legislation or subordinate legislation.

Also through various other modes like question hour, discussion, calling attention motion, adjournment motion, No Confidence motion, Audit system etc, the Legislature exercises control over administration. We will discuss in detail about legislative control over administration in India and USA in the next unit. There are certain committees which act as Parliament's 'watch dogs' over the executive. These committees play an important role in exercising a check over the governmental expenditure and policy formulation. We will discuss about these committees in the next unit.

1.4 Limitations of Legislative Control

A proper review of the parliamentary control over administration reveals the fact that at times such control may be positive or negative. Examples of positive control have already been discussed above. But when legislature exercises negative control, it becomes very difficult to smoothly conduct the administrative work. Negative control may be exercised through refusal of demands for grants; not passing government bills, resolutions and other proposals etc. At times, it appears that the legislative control over

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administration is not as effective as it ought to be. Inefficacy of legislative control and surveillance, is more or less a universal feature, India being no exception. The noted American authority on public administration, Paul H. Appleby, offers some of the criticisms like, firstly, there is a general fear among members of parliament that its responsibilities are not being preserved. Secondly, parliament takes a much too narrow view of recruitment to civil services, thus undermining the responsibility of the ministries. Thirdly, parliament is a chief citadel of opposition to delegation of powers. Writing in the context of the United States, White comments : “The existing system of congressional control is defective. It is basically control over details, not over essentials. It is negative and repressive rather than positive and constructive. It reflects fear rather than confidence. It is sometimes irresponsible.it has been known to squander time and energy on trivialities while serious waste and mismanagement went unnoticed. Congress has done both too much and too little as an instrument of administrative control.” Pfiffner and Presthus have pointed out the limited effectiveness of Congressional control over the executive in the USA in the following manner: “legislatures, in sum, have neither the staff nor the expertise to exert effective control in the most meaningful areas.”

The following limitations of legislative control may be pointed out :

- (1) In the formulation of policies, the executive plays a decisive role. The legislative leadership, therefore, safely rests with the government.
- (2) In this era of welfare State, the functions of administration have increased in volume and complexity. Legislatures do not have the necessary time and expertise to effectively control the rapidly expanding administration.
- (3) In a parliamentary system, at times, in case of thumping and absolute majority, the government feels safe behind its majority in the parliament, thereby posing difficulty for the legislature to exercise effective control.
- (4) In case of financial control, generally it is seen that the legislators do not often possess the technical knowledge of the various departments. Therefore, they face problem to exercise effective control.

Thus, it must be noted here that though the legislature faces problems in exercising effective control over the administration, yet the fact remains that such control is essential to keep the administration in the right track. The legislature of each and every country should try to combat these problems so as to exercise much more effective control over the administration.

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Stop to Consider:

Parliament's control over the finances in our country:-

The financial system consists of two parts – revenue and expenditure.

- (a) As regards revenue, it has been expressly laid down by our Constitution (Art. 265) that no tax shall be levied or collected except by authority of law. Thus, the executive cannot impose any tax without legislative sanction.
- (b) As regards expenditure, the pivot of Parliamentary control is the Consolidated Fund of India. Whether the expenditure is charged on the Consolidated Fund of India or it is voted by the House of the People, it must be noted that no money can be issued out of the Consolidated Fund of India unless it is authorized by an Appropriation Act. Thus, the executive cannot spend the public revenue without parliamentary sanction. (Basu, D. D)

Self Assessment Question

Q. In both the Presidential and Parliamentary form of government, there is the need of legislative control over administration. Explain.

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Check Your Progress

- 1. Discuss the devices of legislative control over administration.
- 2. Examine the need for legislative control over administration.
- 3. Examine the limitations of legislative control over administration.

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1.5 Summing Up

We have discussed about the need and significance of legislative control over administration in this unit. From the above discussion, we understood the fact that this type of control is very essential to keep the government in the right track. In any form of government, this control mechanism must be there so as to guarantee enjoyment of rights by the people. Otherwise in the absence of such control the government may tend to become despotic thereby violating rights and liberties of people. However, we have also discussed about the shortcomings of such control. Actually the balanced approach is that all the three wings of the government namely executive, legislature and judiciary, must exercise their powers within the Constitutional norms. None should get over-powerful at the cost of other. Only when all the three organs of the government will work properly within their jurisdictions, that we can hope to attain development in the true sense of the term.

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Unit-2

Legislative control over Administration in India and USA

Unit structure:

- 2.1 Introduction
- 2.2 Objectives
- 2.3 Legislative Control over Administration in India
- 2.4 Legislative Control over Administration in USA
- 2.5 Summing Up
- 2.6 References and Suggested Readings

2.1 Introduction:

We have studied in the last unit about the need of legislative control over administration and also we have seen how such control helps in maintaining peace and tranquility in the administrative system by curbing the chance of misuse of power. In this particular unit, we will discuss about the legislative control exercised over the administration of both the countries i.e., India and USA.

2.2 Objectives

After studying this unit, learners will be able to:-

- *Discuss* the control exercised by legislature over administration in our country.
- *Understand* about the Legislative Control over Administration in USA.

2.3 Legislative Control over Administration in India

Legislative control over administration in parliamentary countries like India is different from the presidential system of government prevailing in the United States. In USA, the Congress has certain direct and distinctive powers over the administration. This is not so in parliamentary countries like Britain and India. In these countries, the legislature exercises control over administrative agencies only indirectly, and that too for broad issues of

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policy and general administrative performance. The legislature is not expected to concern itself with day-to-day affairs and detailed administration. The cabinet or the ministry carries on the administration, and in turn is accountable legally, constitutionally and politically to the legislature, or strictly speaking, to the more representative chamber i.e., the lower house eg. the Lok Sabha in India. In India, having a parliamentary form of government, the ministers are also members of the legislature and they participate actively in its proceedings, initiate measures, answer questions, defend governmental policies, and above all are accountable to it for their over-all performance.

In India, the tools of legislative control are: Questions, Resolutions, Zero Hour Discussion, Adjournment Motions, Votes of Censure, Budgets and Parliamentary Committees, Public Accounts Committee, Estimates Committee, Committee on Public Undertakings, Committee on Subordinate Legislation and the Committee on Assurances. Thus, the legislative opportunity for exercising control over the administration assumes several forms. Let us discuss these in details :

- (1) **President's Speech:** - Every new session of Parliament opens with a speech from the President. The President's speech broadly spells out the major policies and activities with which the executive will be preoccupied in the period immediately ahead. The members of the Parliament during this period gets an opportunity to criticize the entire realm of administration for its alleged acts of omission as well as commission.
- (2) **Question Hour:** - The first hour of every parliamentary day is reserved for questions, which provide an effective opportunity to exercise form of control over administration. It keeps the entire administration on its toes. The question hour has proved to be the most interesting and lively part of the proceedings of Parliament. A question is an effective device of focusing public attention on the different aspects of administration policies and activities. A question is generally followed by supplementary questions, which provide a sort of cross-examination of the Minister. The question hour has been described as a searchlight turned on the activities of administration. It can reach the remotest and darkest of its recesses

and expose them to public view. For example, the well-known Mundhra Scandal of 1956 came to the surface in response to a question put by a member of Parliament. The Life Insurance Corporation episode of 1956, resulting in the resignation of the Finance Minister, arose from an answer to a question. Any administrative action can provoke a question, though the member cannot compel the minister to give the answer. The Speaker also may disallow certain questions. A minister can also refuse to answer a question on the ground that it will not be in public interest to do so but this privilege is to be used infrequently and with great care. However, it must be pointed out here that the instrument of questioning is flexible, quick, immediate, and though strong enough to discredit, it is not strong enough to kill. Thus, Question hour is an effective means of legislative control over administration.

(3) Resolutions and Motions: - Another effective means or method of drawing the attention of the government to certain matters is to move a resolution or motion. Resolutions or motions are of two kinds, those which recommend the government a particular course of action and those which seek to censure an individual minister or the whole ministry. The most important motion is the adjournment motion. The device of adjournment motion is a tool of day-to-day control, and may be utilized for raising a discussion in the House on any specific question of urgent nature and of public importance. If allowed by the presiding officer, an immediate debate takes place on the matter raised, thereby suspending the normal business of the House. The right to move such a motion is subject to certain restrictions, namely:

- (i) it should concern itself with a definite and specific matter and should not be framed in general terms nor cover more than one matter;
- (ii) the matter should be urgent, that is to say, should have arisen suddenly as an emergency;
- (iii) it should be of general public interest;
- (iv) it should not raise a question of privilege.

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Provision for 'no-confidence' motion also called 'censure motion', exists in the Constitution itself. A censure motion provides an occasion when the entire policy of the government, or a part of it, comes under criticism. An adverse vote on this occasion leads to the resignation of the government. It must be remembered that it was on the basis of 'no-confidence' motion tabled in July 1979, that the ruling Janata party began disintegrating and the Morarji Desai government resigned. Thereafter, subsequent ministries fell on no-confidence motion. Thus, resolutions or motions are very important devices to exert control over administration.

- (4) Debates and Discussions:** - The various readings of a bill provide ample opportunities to the members of Parliament to criticize the entire policy underlying the bill. These criticisms may even make the government change its mind, for the welfare of the public. There are two other methods of raising discussions on matters of public importance, like half-an-hour discussion and two-hours discussion. In India, 'Zero-hour' discussion is an innovation in the field of parliamentary practices, and it emerged since 1962 as a powerful tool of control over the executive. It is invoked in the House immediately after the question hour but before the items on the order paper of the House are taken up for discussion and disposal. Thus, Parliamentary debates and discussions are very powerful devices to exercise control over the administrative machinery.
- (5) Financial Control:** - The financial control exercised by the legislature over executive is very important. So, we will have to discuss this in detail.

Control over public revenues and public expenditure is the most important element of legislative control over public administration. It is one of the primary functions of the budgetary process to satisfy the requirements of accountability to Parliament which, in our democratic set up, is the ultimate authority to sanction the raising and spending of public funds. Parliament's control of the purse is fully established, and taxes cannot be imposed nor money can be spent without its approval. It is a cardinal principle that no taxation

can be levied and no expenditure incurred, without the prior approval of the Parliament.

The financial control exercised by the Parliament is of two kinds: control before the money is appropriated, that is, budgetary control, and measures adopted to exercise control after the appropriations have been made, that is, post-budgetary control. The budget, that is, the annual financial statement of estimated revenue and expenditure, is an important tool of legislative control over administration. The financial procedure of the Indian Parliament resembles the British financial procedure. Article 112 provides that the President shall in respect of every financial year cause to be laid before both the Houses of Parliament a statement of the estimated receipts and expenditure of the government of India for that year referred to as the Annual Financial Statement. It must be noted here that the finance ministry, who is the steward of the nation's purse, is responsible for the preparation of the Annual Financial Statement i.e., the Budget.

Besides the General Budget (the Annual Financial Statement), there is the Railway Budget, separated from the former as early as 1921. Same procedures govern both the budgets. The Railway Budget is regularized by Rule 134 of the Rules of Procedure and Conduct of Business in Parliament.

The journey of the Budget through the Parliament is the vital part of the process. In Parliament, it goes through the following five stages:

- (1) **Presentation to the Legislature:** - The first step is the presentation of the budget by the Finance Minister before the Lok Sabha. The Finance Minister presents the budget to the Lok Sabha in the last working day of February. This he does with the speech known as the budgetary speech.
- (2) **General discussion:** - The second step is the general discussion on various aspects of the budget. At this stage, which usually lasts for two or three days, the Lok Sabha discusses the budget as a whole on any question of principle involved therein. This general

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discussion is in the nature of a critical appraisal of economic and financial state of the nation and the proposed policies to be followed in the ensuing financial year by the government in these fields. Members of the legislature also utilize this occasion to comment upon the overall working of the government during the last financial year. In this stage, however, the details of the budget are not discussed. There is no voting, nor are cut motions allowed.

(3) Voting on Demand for Grants: - After the general discussion, the demands for grants of various ministries are presented by the ministers concerned. The Lok Sabha can either assent, reduce or refuse the demand but it cannot increase them. Under law, no proposal relating to expenditure can be brought without the recommendation of the President. It is at this stage that members move cut motions relating to particular demands. The purpose of the cut motions may be either to draw attention to the lapses of administration or specific grievances or to concentrate discussion on some concrete points.

(4) Consideration and Passing of the Appropriation Bill: - The fourth step is the consideration and passing of the Appropriation Bill. A debate precedes the passing of the Appropriation Bill. The enactment of the Appropriation Bill completes the parliamentary authorization of the government expenditure.

(5) Consideration and Passing of the Taxation Proposals, i.e., the Finance Bill: - The last step is the consideration and passing of the finance bill embodying proposals for fresh taxation. Here as well, the Parliament cannot increase a tax though it is empowered to reduce or abolish it. The budget is approved with the passing of the finance bill.

Post-budgetary Control:

The control continues in another form after the budget is passed. The objective is to ensure that the funds appropriated by the Parliament have been utilized for the purpose specified and in the manner intended. In this phase of parliamentary control, the instruments used are the financial

committees of Parliament, namely, the Public Accounts Committee, the Estimates Committee and the Committee on Public Undertaking.

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(1) Public Accounts Committee: - Parliamentary power over voting money for specific purposes is meaningless unless it is buttressed with the power to ascertain that the money voted by Parliament is utilized by the executive for the purposes for which it was voted. This is secured by subjecting the public accounts to audit by an independent authority – the Comptroller and Auditor General – and, further, the examination of his report by a special committee of Parliament, called the Public Accounts Committee. The functions of the Committee is to satisfy itself :

- (i) that the money shown in the accounts as having been disbursed was legally available for and applicable to the service or purpose to which they have been applied or charged;
- (ii) that the expenditure conforms to the authority which governs it; and,
- (iii) that every reappropriation has been made in accordance with provisions made in this behalf under rules framed by competent authority.

(2) Estimates Committee :- The Estimates Committee is a Standing Committee, and is set up every year. Its functions, method of appointments and other relevant matters are laid down in the Rules of Procedure and Conduct of Business in the Lok Sabha. It consists of 30 members, all belonging to the Lok Sabha. This Committee has been entrusted with the following functions :-

- (a) to report what improvements in organization, efficiency and administrative reforms, consistent with the policy underlying the estimates may be effected;
- (b) to suggest alternative policies in order to bring out efficiency and economy in administration;
- (c) to examine whether the money is well laid out within the limits of the policy implied in the estimates, and,

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(d) to suggest the form in which the estimates shall be presented to Parliament.

(3) Committee on Public Undertakings :- The third financial committee is the Committee on Public Undertakings which started functioning in 1965. Its functions are : (a) to examine the reports and accounts of public undertakings; (b) to examine the reports of the Comptroller and Auditor-General on public undertakings; and, (c) to examine, in the context of autonomy and efficiency, if the public undertakings are being managed in accordance with sound business principles and proven commercial practices.

Thus, we have discussed the nature and effectiveness of legislative control over budgeting in India.

(4) Audit :- As seen in the preceding paragraph, the Parliament exercises control over public expenditure through the Comptroller and Auditor General, who audits all governmental accounts.

(5) Other Parliamentary Committees: - To exercise control over administration, the Parliament has some other committees like,

- **Committee on Petitions:** The committee is nominated by the Speaker. The committee examines petitions or representations received from individuals and associations. Through this committee, the parliament acts as a sort of Ombudsman to redress the grievances of the common citizen.
- **Committee on Government Assurances:** The committee was set up in December 1953 and is one of the most active and effective committees. It consists of sixteen members. The purpose of the committee is to scrutinize the assurances, promises and undertakings given by the ministers from time to time, and to report on the extent to which such assurances have been implemented and where implemented, whether such implementation has taken place within the minimum time necessary for the purpose.
- **Committee on Subordinate Legislation:** Now-a-days, legislature all over the world finds itself overburdened with work. So it cannot legislate in minutest details. It simply lays down the

broad framework of a law, thereby leaving the details to be filled in by the executive. Now, there is always a need to check whether this power is wielded properly or not. So, in Dec. 1953, the Committee on Subordinate Legislation was appointed. The function of the committee is to scrutinize and report to the House whether the powers to make regulations, rules, sub-rules and bye-laws conferred by the Constitution or delegated by the Parliament are being properly exercised within such legislation.

- **Committee on the Welfare of Scheduled Castes and Scheduled Tribes:** This committee was set up in 1973 as a Standing Committee of Parliament. It consists of thirty members. The functions of the committee are : (a) to consider the reports of the Commissioner for Scheduled Castes and Scheduled Tribes under Article 338(2) of the Constitution and to report to both Houses as to the measures to be taken by the Union Government including the administrations of the Union Territories for their welfare; (b) to report on the action taken by the Union Government and Union Territories on the measures proposed by the committee; (c) to examine the measures taken by the Union Government to secure due representation of these castes and tribes in services and posts under its control including public undertakings, statutory and semi-government bodies vide Article 335; (d) to report on the working of the welfare programmes for these castes and tribes in the Union Territories; and, (e) to examine such matters as may seem fit to the committee or are specifically referred to it.

Also, there are the consultative committees, which are neither constitutional, nor statutory nor even standing committees of the parliament. They are just informal committees. They were first set up in 1954 and have proliferated since to cover all ministers and departments of the union government. They provide a forum for discussion between members of Parliament and the ministers. Thus, these committees provide members with some opportunities to exercise some control over the administration.

Moreover, there are Standing Committees of the Parliament, which also play a vital role in exercising control over the administration. These

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Standing Committees possess the power to summon and examine the civil servants. This way the concept of administrative accountability is more effectively enforced.

If we look at the role of parliamentary committees we find that these committees are playing very important role in the administrative scenario. They help to make the legislative work of Parliament smooth and expeditious. We can quote here M N Kaul who opined that unless there are committees which discuss details, Parliament's control is bound to become feeble. These parliamentary committees in our country can be broadly divided into three categories: Financial Committees (Public Accounts Committee, Estimate Committee, Public Undertakings Committee), General Committees (Committee on Petition, Committee on Government Assurances, Committee of privileges, the Rules Committee etc), Legislative Committees (Committee on Subordinate Legislation, the Select Committees on Bills etc). Here one thing needs to be borne in mind is that the success of the committee system depends on factors like: firstly, the government should not take these committees as adversaries but as sincere partners in the task of ensuring people's well being. And secondly, all the recommendations given by these committees need to be accepted. Otherwise, their existence will be meaningless.

Thus, we have discussed above the various measures adopted by the legislature to exercise control over administration in India. It is clear from the above discussion that the responsibilities of a modern government are vast and grave, and so there is always the need of control so as to keep the government in right track and avoid the fear of arbitrary rule. So, in order to make democracy a success, this control is very essential. This unit deals with the legislative control over administration. Similarly, there is also executive and judicial control. Executive control over administration is also helpful in maintaining responsible government. Similarly, judicial control over administration helps in reducing abuse of power. All these three types of control, if exercised properly and judiciously, then only we can attain good governance.

Self Assessment Question

Do you think that in India the legislative control over administration has minimized the extent of corruption? Discuss. (80 words).

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2.4 Legislative Control over Administration in USA

USA Constitution is based on the doctrine of ‘Separation of powers’. Though there is in the Constitution itself no direct statement of the doctrine of Separation of Powers, the Constitution-makers provided that the operation of each of the three processes of government, i.e., executive, legislative and judicial, should be entrusted to a separate agency. But, at the same time, it was realized that an absolute separation of the three departments of government would make government itself impossible, and that unlimited power was always dangerous and might lead to arbitrary rule. So, the framers of the Constitution introduced modification to the doctrine of Separation of Powers when they introduced the system of ‘checks and balances’. Having divided governmental activities into a three-fold process and having assigned to each process a supposedly independent branch, they authorized a very considerable amount of participation in, or ‘checking’ of the affairs of each branch by the other two. The object behind this system was to make exercise of power limited, controlled and diffused. Thus, in accordance with the system of checks and balances, in USA, the legislature exercises control over the administration.

The legislative department checks the executive through its powers to appropriate money and to impeach. The Senate confirms the appointments made by the President and approves treaties made by him. The President’s power to declare war is subject to the authority and approval of the Congress. Congress may also impeach and remove federal judges from office. Thus, no feature of American Government is more characteristic

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than the separation of powers, combined with precautionary checks and balances.

The Senate shares with the President many powers and functions so as to exercise control over the administration. The President shares with the Senate the power of appointing federal officers. The President nominates and the Senate confirms officers of the United States by simple majority. The underlying idea was to restrain the unlimited powers of the President by a system of checks and balances and thereby ensure the appointment of honest and capable men to office. The Senate also shares with the President the power of making treaties. So, the Senate plays a significant role in making treaties and ratifying treaties. Another special function of the Senate is that of acting as a court for the trial of impeachment cases. The Constitution prescribes that the President, Vice-President, and all Civil Officers shall be removed from office on impeachment for and conviction of treason, bribery, or other crimes and misdemeanours. The House of Representatives initiates the charge and the Senate sits as a court of trial. So, the above discussion makes it clear that in USA, the Senate is a co-ordinate body and not a subordinate branch of Congress and exercises co-equal powers with the House of Representatives.

The Legislative Reorganisation Act, 1946, requires the Standing Committees of Congress to keep watch over the agencies on the administrative side. There is now increasing emphasis in the United States on the “watchdog” function of the investigation committees. The only way Congress can check the administration is through the questioning of official witnesses in the committees when appropriation bills are under consideration, or through interim investigations of its own into the way executive agencies are being run. It is, indeed, an effective method of checking administration. The Senate can also influence the foreign policy through investigations.

It is to be noted here that the President and his principal subordinates, no doubt, actually direct and supervise administration, but it is Congress which creates all the administrative departments and agencies. The form, the organization and the powers to be exercised by the administrative departments are all defined by the Acts of Congress. Almost

all agencies are required to make annual reports to the Congress. Members of Congress may call for information and explanation. All this opens a way for watchfulness over the work performed and help to make administration accountable. Arthur Macmalon comments “Legislative oversight of administration is familiar and well-grounded assumption of responsible government.” The Legislative Reorganisation Act of 1946 stressed the importance of continuous vigilance over the execution of all laws by the Standing Committees of both the Houses. Then, Congress may from time to time pass laws directing the administrative departments to report to it. Thus, the Controller- General has been made responsible to the Congress rather than to the President. The Congress may sometimes pass a resolution directing the administration to follow a certain course of action in a particular situation.

The Legislature also exercises control over budgeting in USA. After the budget is prepared, it is submitted to the Congress on the responsibility of the President. It is considered by two committees of the House of Representatives, the Committee of Ways and Means and the Committee of Appropriations. These committees report the budget to the House of Representatives which after debate passes the Finance bill and the Appropriation bill. The bills are then sent to the Senate and then to the President of America.

Thus, from the above discussion, it is clear to us that the USA Constitution gives to the Congress the power to control the laws of the nation, the finances of the nation, the strength of the armed forces of the country. By implication it possesses unlimited investigatory powers. It has the right to impeach the President, the Vice-President and other officers of the United States, exercises complete supervisory powers over administrative agencies. From the above discussion, we know that even in a presidential system of government like USA, the legislature exercises control over the executive so that administration runs on smoothly without becoming despotic and corrupt. The unique blend of the twin concepts of ‘separation of powers’ and ‘checks and balances’ in USA has resulted in proper control over each organ of the government by the other two branches, thereby resulting in harmony and balance.

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Self Assessment Question

Do you think that the legislative control over administration differs in parliamentary and presidential forms of government? Discuss.

(50 words)

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Stop to Consider:

Standing Committees of Parliament in India:

In 1993, the Parliament took a decision to set up Department related Standing Parliamentary Committees to scrutinize the demand for grants of the various ministries/departments before these are discussed and voted in the House. Such Standing Committees has started functioning from 1995. The main functions of Standing Committees are as follows:

1. To consider the Demands for grants of the concerned ministries and make a report on the same to the Houses;
2. To examine bills pertaining to the concerned ministries;
3. To consider annual reports of ministries and make reports thereon; and,
4. To consider national basic long term policy documents presented to the Houses.

Check Your Progress:

1. Discuss the nature and effectiveness of legislative control over administration in USA and India.
2. Discuss the means for legislative control over administration in India with special reference to the role of Parliamentary Committees.
3. Examine the effectiveness of the devices of legislative control over administration in India or USA.

2.5 Summing Up

After reading this unit, you are able to understand the need and necessities for legislative control over administration. Also, you have studied about the different techniques used by the legislatures of the two countries of India and USA, so as to exercise control over administration. From the above reading you have come to know about the limitations of the legislative control also. It is clear from the above discussion that legislative control is an effective means of keeping the government in the right track.

2.6 References and Suggested Readings

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Unit - 3

Administrative Reforms in India

Unit Structure:

- 3.1 Introduction
- 3.2 Objectives
- 3.3 Meaning of Administrative Reform
- 3.4 Administrative reforms in India
- 3.5 Administrative Reforms in India during 1990s
- 3.6 The Administrative Reforms Commission (ARC) and Administrative Development thereafter
- 3.7 Problems and Solutions of Administrative Reforms in India
- 3.8 Summing Up
- 3.9 References and Suggested Readings

3.1 Introduction

A country's development depends on its administration and so administration cannot afford to remain static. It has to change to cope up with the changing circumstances for the sake of survival. Administrative reform simply means upgrading a country's administrative system for bringing about improvement in the system. Recently, an increased concern for bringing about efficiency, economy and effectiveness in public management has further called forth reorganization and reorientation of government. In this unit, we will try to study about administrative reform in our country.

3.2 Objectives

After reading this unit, the learners will be able to:-

- *Understand* the meaning and significance of administrative reforms.
- *Analyse* the various parameters of administrative reforms in our country.
- *Discuss* the challenges, problems and solutions associated with Administrative Reforms in India.

3.3 Meaning of Administrative Reform

Paul Appleby in an insightful article on the first Hoover Commission Report in the USA suggested that there can be two basic types of changes in administration: constant and episodic. Constant changes take place in course of spontaneous adjustments to the changes in situations. However, episodic changes are much more wide-ranging in scope and content as it involves a major change in the system. Administrative reform falls in the category of episodic changes. However, Caiden makes a distinction between reform and change by saying that change is a self-adjusting organizational response to the changing conditions, whereas, reform becomes necessary so as to remedy the malfunctioning of the natural administrative processes. Also, administrative development can be distinguished from administrative reform.

Reform may be structural as well as procedural. Structural reform deals with the structural aspect like delegation and decentralization, creation of autonomous agencies, setting up of coordinating mechanisms etc. And procedural reform involves changes in rules, alteration of work procedures etc. Another type of reform is Behavioural reform which is relatively a new concept so far as governmental organizations are concerned. Now a days, bureaucracy has often been criticized for various reasons and behavioural changes have therefore been suggested so as to improve relationships within the bureaucracy.

3.4 Administrative Reforms in India

Of late, there has been an increasing concern to secure administrative reforms in organizations faced with a wide range of problems. With growing complexities, obviously the tasks of administrative reforms need to be multifaceted with an emphasis on efficiency and utilization of resources. In order to be effective, the reform programmes should seek a result-oriented stance rather than being only activity-oriented. This result-oriented approach recognizes that it is not enough to simply identify the problems but to produce a plan of improvement-oriented actions so as to resolve the problems and it will be necessary to establish specific performances to be accomplished within specific time periods. (A. P. Saxena)

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Over the years, the scandals and cases of corruption, kickbacks, bribery, extortions, lying and deception by government and similar other cases have increased in both developed and developing countries. Such alarming situation resulted in various reform movements throughout the world. In the wake of many cases of nepotism, influence peddling, corruption, illicit operations, unhealthy nexus between politics, administration and business when came to public notice, the US Senate set up a subcommittee under Senator Paul Douglas, which submitted its report commonly known as the Report on Ethical Standards in Government. This ultimately attracted the attention all over the world regarding the role of ethics in governance. In India, long back, Vohra Committee was quite vocal regarding this decaying trend in administration. To quote from the Vohra Committee: The big smuggling Syndicates, having international linkages, have spread into and infected the various economic and financial activities, including havala transactions, circulation of black money and operations of a vicious parallel economy causing serious damage to the economic fibre of the country. The Syndicates have acquired substantial financial and muscle power and social respectability and have successfully corrupted the Government machinery at all levels and wield enough influence to make the task of Investigating and Prosecuting agencies extremely difficult; even the members of the Judicial system have not escaped the embrace of the Mafia. (S L Goel and Aruna Goel)

It is true that a sound administrative system is the pre-requisite for well being and development of the country. The very basic attributes of a good administrative system are upholding the rule of law in an unbiased manner, transparency as secrecy breeds corruption, accountability, responsiveness, efficiency and ensuring an effective delivery system. But today as we see the administration has marked a departure from ethics, morality, traditions, law and virtue. And it is a known fact that corruption and inefficiency go hand in hand thereby undermining the administration. And it also leads to criminalization of politics. (Bhure Lal, 2009)

Even Justice V R Krishna Iyer blamed the elite clan for joining the criminals and thereby making the nation stink with their frivolous activities. At this juncture, let us discuss what is actually meant by 'ethics' in

administration. The word 'Ethics' is defined by the Concise Oxford Dictionary as "the science of morals in human conduct: moral philosophy: moral principles: rules of conduct." Also, Manoj Pandey opined that moral values, in simple terms, are the values that tell us what is the right, proper and acceptable way of behaving. Thus, moral values and their observance are indispensable for the realization of Good Governance. Even if a system is very much technologically sound but if it is not based on moral values, it does not serve the public. Unfortunately, we have various reports of high-handedness, corruption and other forms of inappropriate conduct of the bureaucrats and also the honest and upright officers showing concern about the low morality of the bureaucracy. Thus, unethical practices have resulted in the growing corruption at all levels and thus spoiling the entire fabric of the society. Thus, the only way out to get rid of these problems is to inject morality in the administrative system. But how to do that? We can do that by bringing about administrative reforms. Erosion of moral values and ethics is the main problem of today's society.

Krishna K. Tummala in "Public Administration in India" has highlighted on the civil service reforms. Since India after independence has embarked upon massive developmental programmes, the State took over more and more responsibilities. Such a massive administrative organization demand sound personnel based on merit based selection. The change of state from that of a regulatory one to a development agent, necessitated a transformation of the administrative services and its attitudes. (Krishna K. Tummala, 1996)

There have been several studies in our country on civil service reforms. Before independence, there were the Royal Commission on Public Service in India, popularly known as the Islington Commission (1912-15) and the Royal Commission on Superior Civil Service in India, popularly known as the Lee Commission (1923-24). After independence, the important committees on Civil Service Reforms included the Secretariat Re-organization Committee under the chairmanship of Sir Girijashankar Vajpayee (1947), the Committee on Reorganization of Government of India headed by Shri Gopaldaswami Aiyangar, the report on Public Administration (1951) by Shri A D Gorwala and the reports of 1953 and 1956 by Paul

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Appleby. Also the Central Pay Commissions have made useful recommendations.

In 1979, the National Police Commission (NPC) was set up so as to suggest police reforms and the commission submitted eight reports. The seven directives made in the Prakash Singh case by Supreme Court, though not enough to reform the Police system yet it was a phenomenal breakthrough that brought police under the scanner of active citizenry and under vigilant courts for their accountability and transparency of public dealings and adopted procedures. (Amita Singh)

3.5 Administrative Reforms in India during 1990s

During this period, two distinct emphases have been noticed in the domain of administrative reforms: (a) revitalization of the institutions of local self-governance, and, (b) a thorough revamping of the country's civil services designed to induce in them a conscious citizen focus. We know that the 73rd and 74th Constitutional Amendment Act of 1992 brought in the local self governance in the country but still there was difference in its implementation in different states. Various efforts have been already taken to revitalize these institutions of local self-governance. Similarly, efforts have been taken to bring about improvement in civil service performance and integrity. Initiatives have been already taken for the following: (i) measures to curb corruption, (ii) efforts towards evolving a civil service code of ethics, (iii) contracting out of public services, and, (iv) steps towards simplification of procedures. (Arvind K Sharma)

One of the major thrust areas of reforms in our country recently has been to create space for the growth of private sector and to facilitate the operation of market mechanisms in both the public and the private sectors. It has been contended that there is need to learn lessons in management from the corporate world and private sector and apply the same techniques of 'total quality management' (TQM) in the governmental sector so that the services are provided to the satisfaction of the masses.

The issue of administrative reforms has received continuing attention in our country over the years. To keep pace with the changing situation, growing needs and exigencies of the government, various changes have

already been made in the structure, work methods, procedures of administrative organizations since independence. The Tottenham Committee report in 1945 advocated a proper division between secretarial departments on the one hand and executive directorate and services on the other. The Secretariat Reorganisation Committee headed by Girija Shankar Bajpai suggested a reorganization of the methods of work in the secretariat. In 1948, the Economy Committee made many suggestions for effecting economy in central administration and to bring about general efficiency in the civil service. The committee headed by N Gopalsawmy Ayyangar in 1949 dealt with the issues of organizational changes, improvement in the calibre of personnel etc. Also, the Gorwala Committee Report of 1951, Paul Appleby's two reports on the Indian administration in 1953 and 1956 needs mention here. Appleby's two reports of 1953 and 1956 made remarkable impact in the field of administrative reforms. In the post-Appleby period also, a number of other committees and commissions were appointed which made valuable recommendations to bring about improvement in administration. However, the most comprehensive study of the administrative system was made by the Administrative Reform Commission in 1966. The first Administrative Reforms Commission (ARC) was appointed on January 1966 under the chairmanship of Morarji Desai (who was later replaced by K Hanumanthaiya).

It needs mention here that during the 1990s, policies of economic liberalization was adopted and a number of expert committees were appointed to study and make recommendations related to economic reforms. For example, Raja Chelliah Committee on Tax Reforms, the Rangarajan Committee on foreign investment, the Goswami committee on industrial sickness and corporate restructuring. In 1997, the Government of India's Department of Administrative Reforms had organized a national debate on the issues of making the administration responsive, accountable, effective and assuring its adherence to the constitutional principles. However, the emerging administrative style and culture in our country seems to be pessimistic in the sense that there is growth of problems like political interference, growing nexus between politicians, criminals and bureaucracy, pervading corruption at different levels etc. But that does not mean there

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are no achievements. Our administrative system has rendered some excellent performances in the sphere of policy-making and implementation. It has also been able to maintain its strength by building a strong industrial base for the nation through a system of planned development. The recent trend towards administrative reforms in India is to adopt a normative model of good management approach.

In the years between 1991 to 1998, several policies were announced like industrial policy, export-import policy, agricultural policy, tourism policy, health policy, power sector policy, rural development policy etc. so as to bring about a total overhaul of the economy of the country. At that time major emphasis was given on the development of infrastructural sector so as to generate more employment opportunities. Also, there was establishment of some new administrative organisations so as to streamline the administrative processes. In some of the ministries, new administrative organisations and institutions were created. All this was done so as to deregulate and decentralise the administrative system. Moreover, modern technology has been used to restructure and reorient the administrative system. For example, office procedures, data storing, records and several documents have been computerised. Previously, our data and information were preserved on papers or some other modes thereby creating enormous problems of space and reproducibility. However, now with the help of IT, these problems have been solved to some extent. The last decade of twentieth century witnessed the emergence of IT (Information Technology) as the most prominent and potent force of converting our society into a truly knowledge-based one. There has been a paradigm shift through the introduction of E-commerce, E-governance etc.

Efforts were also given to build up a political discourse for party and party system reforms and hence there were various committee reports like Tarkunde Committee Report (1975), Dinesh Goswami Committee Report (1990), Indrajit Gupta Committee report on state funding of elections (1998) and a Law Commission Report (1999), the report of the National Commission to Review the working of the Constitution (NCRWC) (2002). The NCRWC has recommended a comprehensive legislation on political parties. (Mahendra Prasad Singh).

In India, the Right to Information Act was enacted in 2005 and thus the Act has opened enormous opportunities for transparent governance and though the road is arduous but the destination is clear. However, it needs mention here that no legislation is enough unless and until there is a will on the part of the state, willingness on the part of administrators and an initiative coupled with courage on the part of the citizens themselves. When A D Gorwala presented his report on 'Public Administration in India' in 1951, he had emphasised that integrity was one of the cardinal philosophical premises of good administration. The report on "Ethics in Governance" submitted by the Second ARC in 2007 have highlighted on moral standards in administration. (Ramesh K. Arora)

3.6 The Administrative Reforms Commission (ARC) and Administrative Development thereafter:-

The first ARC was given certain objectives to investigate upon which were:-

- (a) To give consideration to the need for ensuring the highest standards of efficiency and integrity in the public service;
- (b) To take into account the need for making public administration a fit instrument for carrying out the social and economic policies of the government and achieving social and economic goals of development;
- (c) To make the administration responsive to the people. (R B Jain)

ARC made some significant recommendations which are like:-

- (a) The appointment of Lok pal at the centre and Lokayuktas in the states to deal with the complaints of corruption and public grievances;
- (b) Constitution of inter-state councils under Article 263 of the Constitution to deal with centre-state relations;
- (c) Establishment of a central personnel agency at the centre under the cabinet secretariat and independent personnel departments in each ministry;
- (d) Introduction of the concept and technique of performance budgeting;

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- (e) Procedural reforms relating to the elimination of delays in sanctioning of pensions to retired officials and payment thereof;
- (f) Constitution of a policy advisory committee, policy cells and policy officers in each department or ministry;
- (g) The constitution of several corporations for management of the public sector and constitution of consumer consultative committees.
- (h) Also, the ARC touched upon the area of minister-civil servant relationship and emphasized on the need of depoliticisation of the services and the creation of such a climate and culture of administration which would help arrest the growth of unhealthy personal relationship between the minister and the civil servants. (R B Jain)

However, unfortunately most of the ARC's recommendations had failed to arouse the necessary enthusiasm amongst authorities so as to take positive action to implement them. After the ARC, some other committees and commissions on administrative reforms were constituted. For example, in 1983, the Government appointed a high powered commission led by Justice Sarkaria to enquire into the entire gamut of centre-state relations. Satish Chandra Committee was appointed to review the civil services examination system. (R B Jain)

2nd ARC (Administrative Reforms Commission) submitted 15 reports, where it highlighted on different aspects of administrative reform. The Commission in its 1st report emphasized on the freedom of information as the Right to Information was enacted at that time and it indicated a paradigm shift in the administration from darkness of secrecy to that of dawn of transparency. The 4th report dealing with ethics in governance laid down that the real intent of Art. 311 of the Constitution is to protect the honest civil servants and it must be seen that the dishonest does not get the benefit of Art. 311. The 3rd chapter of 4th report deals with the Constitutional protection to civil servants. Chapter 15 of the 10th report deals with relation between the political executive and civil servants. In 15.1.3, it has been clearly spelt out that a healthy working relationship between ministers and civil servants is critical for good governance. The report in 15.3 and 15.4 have nicely summed up the problems of minister-civil servant relationship

thereby highlighting on the needs of rights of civil servants. Chapter 12 of the 10th report deals with motivating civil servants. It has been stated there that a motivated and willing civil service is the best instrument to achieve the outcomes desired by the State and society.

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3.7 Problems and Solutions of Administrative Reforms in India

From the above discussion, we have understood that the problem of administrative reforms has received continuing attention in India both at the national and state levels since independence. After independence, during the initial years, there was not much problem. However, after 1967, there started the problem of erosion of most of the fundamental values of the administrative system. This period marked the beginning of uncertainty and instability in the political system and the crisis heightened during the emergency in 1975. During this period, the performance and morale of public bureaucracy has been affected due to unhindered interference of the politicians in the day-to-day activities of the administration as a result of which the ethical values have gone down and the incidence of corruption increased. The Department of Administration Reforms and Public Grievances organized a conference of Chief Secretaries of States and Union Territories on 20th November 1996 so as to discuss the issues of making administration responsive, accountable and effective, cleansing the civil services and ensuring its adherence to the Constitutional principles. The Conference of the Chief Ministers convened by the Prime Minister in May 1997 endorsed the action plan based on: accountability and citizen-friendly administration, transparency and the Right to Information, and, improving performance and integrity of the civil services. (S. S. Tiwana)

Reforms in our country has been taken in the following aspects:-

- (a) Steps have been taken so as to promote transparency and openness in administration.
- (b) Efforts have been given in making the administration responsive to the people.
- (c) Civil service reforms included measures to curb corruption, evolving a civil service code of ethics, contracting out public service and steps towards simplification of procedures.

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Efforts were also given to adopt a normative model of good management approach towards administrative reforms in India which need to include:

- (i) Focus on result-oriented (efficiency, effectiveness and service quality) orientation to decision-making,
- (ii) Replacement of highly centralized organizational structures with decentralized management.
- (iii) Creating of competitive environment within and between public service organizations.
- (iv) Strengthening of strategic capacities at the centre to steer govt. to respond to various challenges and diverse interests quickly and at minimum costs.
- (v) Breaking the growing nexus amongst the bureaucrats, politicians and criminals.
- (vi) Making the necessary improvements in the working atmosphere so that a new work culture is created incorporating the principles of transparency, responsiveness, accountability, participative and citizen-friendly management. (S. S. Tiwana)

From the above discussion, we understood that in a developing country like India, introduction of market economy and restructuring the administration so as to suit the needs of the economic system has started debate over the conventional role of administration. India is a vast country with host of problems like poverty, overpopulation etc. and thus the new role of public administration has become an issue of concern. Political instability, economic depression and dominance of the MNCs have put pressure on the shoulders of the public administrators in our country. At this situation, a very careful and cautious strategy of administrative reforms is needed in India. Not only that, introduction of IT has its positive as well as negative sides. We have already discussed the positive aspects of IT in the above paragraphs. The challenges are that IT has posed a formidable challenge before the police administration to track various cyber crimes which may be said to be the byproduct of IT. It paved the way for emergence of various anti-social and criminal activities and thus facilitated committing crimes at the global level. Another challenge is that there is lack of centralized database of the criminals in the country which is not a case with the developed

countries. Cell phones are also used in various criminal activities. Another point of concern is the diversity of situation where such changes or reform are sought to be introduced. In developing countries the situation is different from that of the developed countries. So, reforms introduced elsewhere, if blindly applied or introduced in these developing countries, without any significant exercises about its contextual needs, possibilities and constraints, then that may adversely affect the system.

We can cite here Haque who argued that “in the name of streamlining the allegedly expensive and inefficient state bureaucracy, the public sector has been restructured in favour of vested business interests without much reduction in its size and scope. . . the basic norms of public service, such as neutrality, impartiality, accountability, representativeness, responsiveness, equality, justice, integrity and commitment are being replaced by pro-market values like competitiveness, efficiency, productivity and profitability.” Also, concern was shown by many on the use of privatization strategies with the objective of improving the public sector. In most of the developing countries, private sector is still underdeveloped, mismanaged and at this critical juncture, public sector withdrawal in favour of private sector might lead to problem as people’s needs might go unattended. (Dolly Arora)

Thus, it is seen that the present approach towards reforms tends to emphasise on the need for privatization, marketisation, contracting out, deregulation, dilution of rules, simplification/systematization aided by computerization, debureaucratisation etc. However, democratic and participatory processes need to be strengthened so as to deal with various problems of lack of administrative responsiveness. Strengthening of the civil society is an essential dimension of any reform. While procedural changes are required to bring about reform, only mere procedural reforms will not help. Nor will shedding responsibility in favour of private sector will provide any effective remedy. Need of the hour is that different dimensions of the problem of the people need to be addressed maintaining a balanced approach. It is not possible to address all the problems without adopting a comprehensive approach to reforms. It is very imperative for the politically and economically constrained developing countries to look at the alternative structures, processes and practices so as to attain development in an effective

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manner rather than symbolic manner. Objectives of equity and sustainability can never be compromised in pursuit of efficiency and effectiveness. (Dolly Arora)

It is imperative to discuss here the perpetual challenges faced by developing countries as a result of liberalization. Based on the belief that the administrators in the third world countries were the chief agents of change and nation-building, public administration transformed itself into development administration where much depended on the administrators, their attitudes and behaviour. However, disillusionment set in with the whole concept of development administration and many other problems were also seen. Continuity was also seen with the colonial administrative system which gave primacy to a generalist civil service as final authority in making administrative decisions. Thus, a paradoxical situation emerged where little reform took place. However, with the emergence of liberalization and globalization, different genre of challenges came up where the concern was not merely with reforming the traditional model but with changing the entire role and scope of public administration and thereafter, the slogan “less government and more governance” began to catch the imagination of the people and policy makers. In this concept, state and the private sector called themselves as partners in the process of growth and development. Thus came what was known as Public-Private Partnerships (PPP). But the challenges were seen here also. We know that public administration is accountable to the parliament. The way it spends funds are audited by the Comptroller and Auditor General (CAG) of India. However, no such procedure is followed in case of PPPs. However, CAG has stated that the audit mandate should be expanded in order to bring all public expenditure including that of PPPs under its purview. Thus, the challenge is that with the scope of state activities being curtailed, PPPs as semi-autonomous institutions outside ministry or parliamentary control are proliferating and thus, caution is needed because in our socially and economically unequal society, policies are adopted especially to help and support the deprived. (Kuldeep Mathur)

Stop to Consider:

E-governance:-

E-governance helps in the upgradation of the efficiency and effectiveness of the administrative system through the use of information technology and various other sophisticated multimedia so as to deliver better and speedy services to the citizens. There has been a paradigm shift from the traditional production process to that of the processes involved in the creation, storage, dissemination and use of information. The recent advances in the field of IT have thus opened up opportunities to provide various governmental services to a much broader segment of population. Thus, use of IT has helped bringing about the required changes in the work culture of government.

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Self Assessment Question

Q. It has been said that efforts were given to adopt a normative model of good management approach towards administrative reforms in India – do you think so? If yes, substantiate your answer with suitable examples.

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Check Your Progress:

1. Discuss the major initiatives for administrative reform in India with special reference to Administrative Reforms Commissions.
2. Discuss the recent initiatives of administrative reforms in our country with special reference to the major recommendations of Second Administrative Reforms Commission.
3. What is Administrative Reform? Point out the needs of administrative reform. Explain the main features of administrative reform in post independence period in India.

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3.8 Summing Up

Thus, from the above discussion, we have understood the fact that efficiency of the public sector has been the prime focus of attention in all the reforms discourse. The various Pay Commissions also underlined the need of promoting efficiency, human resource development and downsizing government bureaucracy so as to promote efficiency. It must be kept in mind that administrative reforms are on-going processes and are conditioned by the socio-cultural setting of the country.

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Unit- 4

Administrative Reform in UK

Unit Structure:

- 4.1 Introduction
- 4.2 Objectives
- 4.3 Administrative Reforms in UK
- 4.4 The Recent trends of Administrative Reform in UK
- 4.5 Contemporary New Public Management Reforms
- 4.6 Summing Up
- 4.7 References and Suggested Readings

4.1 Introduction

We have already discussed in the preceding unit about the meaning of administrative reform. It is seen that every country needs to update its administrative system and practices from time to time so as to cope up with the changing circumstances. The well being of the people in a country depends on the efficiency of the administrative system there. If the administrative system works properly without any problem, then the people can enjoy their rights properly and thus their well being is promoted. Thus, administrative reform which brings about improvement in the administrative scenario is much needed in every country. In this unit, we will try to study the administrative reforms in UK.

4.2 Objectives

After reading this particular unit, the learners will be able to:-

- *Understand* the process of administrative reform in UK.
- *Discuss* the new developments in the administrative scenario of UK.
- *Analyse* the effect of New Public Management in the domain of administrative reforms in UK.

4.3 Administrative Reforms in UK

We have already discussed in block II about the evolution of merit system in UK. There we have studied that the Northcote-Trevelyan Report of 1854 has attacked the system of patronage and recommended the system based on merit. Thereafter, the Civil Service Commission came into existence in 1855 to conduct the examinations for entry into the civil services. Thus merit system was established which is a glaring achievement so far as administrative reform is concerned. Thereafter, the development of the civil service has been marked by a series of thorough inquiries and reforms always searching for improved efficiency. Ultimately, the Fulton Committee report suggested a lot of reform measures. In order to bring about reform in UK civil service, the Fulton Committee recommended the following measures:- a new civil service department should be created to take over the establishment work of the treasury and to oversee the civil service commission, the abolition of all classes or services and adoption of a single unified grading structure covering the totality of the civil service, to provide training in administration and management a civil service college should be set up, principles of accountable management should be applied throughout the service, ministers should be allowed to employ temporary experts to advise them, there should be more openness so that the outside world could see more readily who was taking the decisions etc. It needs mention here that many changes have been introduced in the organizational set-up of the British Civil Service since the Fulton Report.

4.4 The Recent Trends of Administrative Reform in UK

We have already discussed that 'administrative reform' indicates a series of improvements in administration that are promoted by political or administrative bodies and are introduced to adapt public administration to economic and social changes. We have also discussed that in 1968, Fulton Report proposed that the British public administration had to abandon the model based on amateur civil servants in favour of greater professionalism amongst the specialists. This ultimately led to the setting up of a Civil Service College for providing training to the civil servants and the introduction of greater mobility for the employees between departments.

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It is pertinent to observe here that in the first three quarters of the twentieth century, the administrative reform simply remained an episodic phenomenon in Europe where the governments focused efforts and attention on more tangible service reforms like health, pensions, education, homes, employment. As a result though administrative reforms were carried out, but these did not lead to the development of specific public administrative reform policies. (S. Cassese)

New Public Management emerged in UK since 1979. In fact, UK was the first country to embark upon a radical programme of reforms because it pioneered and implemented a wide-ranging privatization programme from 1979 onwards. Most of the public industrial sector was transferred to private ownerships. UK has developed New Public Management further than any other country. In 1982, it launched the Financial Management Initiative and used private managers in the field of public administration. (S. Cassese)

Thus, we see that the British administration has endured radical reforms since 1979. From 1979 to about 1982, there was focus on the economies and government's macroeconomic policy aimed at reducing public expenditure. However, soon the government moved to emphasize on the aspect of efficiency rather than economy. The second phase lasted through the late 1980s and during that time, although the government constantly referred to the three Es: Economy, Efficiency and Effectiveness, ultimately most of the new procedures and programmes were actually concerned with the first two with effectiveness coming at third. Thus, huge efforts were put into improving the financial management skills of the public officials and new national audit bodies were created. Thus, during this phase, an increasingly ambitious series of public utility privatizations assumed a central position in the various government's programmes. From the late 1980s, however, the public services were shaken out of their traditional bureaucratic forms. (Christopher Pollitt)

Thus, far reaching managerial changes came in the public sector in UK since 1980s and broadly described as the 'New Public Management' (Hood 1991, 1995) these changes have reached new levels of intensity since 1979. <Broadbent, J., & Laughlin, R. (1997)>.

We have already discussed above that the history of civil service reform in Britain dates back to the 1854 report by Sir Stafford Northcote and Sir Charles Trevelyan. Since then successive waves of reform attempts have occurred to bring about improvement in the administrative system. If we look at the various reform attempts from time to time, we find that a number of concerns have resurfaced through all the reform attempts. These are like: changes in the process of recruitment and training including practices, skills and culture; the structure and Constitutional role of the civil service, issues related to performance, accountability and leadership roles. The Haldane report, 1918, aimed at improving the effectiveness of governmental policy making and led to the fundamental changes affecting the policy makers. It has been noticed that traditionally, the UK civil service had a tilt towards generalist career development rather than true specialism for certain policy, management or operational roles. Thereafter, various reform efforts were undertaken. For example, in 1944, the Assheton Report recommended departmental training programmes but with limited impact. In 1960s again there was increasing emphasis on the need of training as means for improving management including the 1961 Plowden report on public expenditure management. When Sir Richard Wilson became the cabinet secretary in 1998, there was more emphasis on bringing about reforms. It was in this context that various reform measures took place including the better known 1999 modernising government programme. Thus, over the years, due to all these ongoing efforts, the civil service has undoubtedly become better managed and more efficient. It has attracted some very bright, energetic and young people within its ambit and seems to provide good service to the people similar to that of the private sectors. Also, in the field of local government system certain proposals were given for restructuring the local government.

4.5 Contemporary New Public Management Reforms:-

The New Public Management thinking has resulted in the creation of new agencies, restructuring, and privatization. Thus, globally, its impact has been quite pervasive. Let us discuss here the affects of this new trend in the administrative system of UK. In the UK, a white paper ‘Competing for

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Quality' was brought out in 1991 which stated that the public services will increasingly move to a culture where the relationships are contractual rather than bureaucratic. A procedure known as the "prior options review" was also adopted under which all the ministries were required to undertake assessment of the various activities and evaluate whether the work being done was necessary or not. Another reform initiated was the creation of 'next steps' agencies which are autonomous agencies created with the vision of discharging specific set of activities. Also, the Citizen's Charter programme was initiated in 1991 which emphasized the public organizations to work towards clear set of service standards so as to make the services offered by the various public agencies responsive to the needs of the users. Moreover, an Office for Public Service was created and entrusted with the responsibilities of looking at the reorganization of government. (Uma Medury)

Managerialism, among the other things, introduced private sector techniques in the central administration with clear intensions of making the government efficient, effective and above all, cost-effective (Greenwood and Wilson 1989)

The Citizen's Charter, introduced in 1991 by John Major's government, has been regarded as the most far-reaching programme ever undertaken for the purpose of ameliorating the quality of public service. The Charter is based on the principle that since all the citizens contributes towards public services as tax payers, they have certain basic rights as members of society. Thus, they are entitled to quality, responsive and efficient public services and also they are entitled to expect the state to perform its regulatory, tax and justice administration functions effectively, fairly and courteously. Thus, the Charter sought to look into the interests of service users and thus enhance the citizens' rights. It was a continuation of private-sector oriented reforms that had been set into motion by Margaret Thatcher in 1979 and thus heralded new reforms. The main objective behind all these programmes was the empowerment of citizens. These programmes embodied basically four themes of quality, choice, standards and value and in order to achieve these themes emphasis has been given on undertaking some reform measures that are prevalent in the private sector, such as privatization,

competition, contracting-out, performance measurement, clear complaints procedure and better forms of redress for citizens (Falconer and Ross). (Kazi Alam Quddusi).

Let us now look into the Citizen's Charter which contained six principles like: standards, information and openness, choice and consultation, courtesy and helpfulness, putting things right and value for money (Clark 1999). On 1st April, 1997, six service standards were added to the already discussed six principles. And it has been contended that all central governmental agencies and the executive agencies were to maintain the standards. The service standards were:-

1. To answer letters quickly and clearly. Each department and agency will set a target for answering letters and publish performance against that target.
2. To see customers within ten minutes of their given appointment time.
3. To provide clear and straightforward information about services.
4. To consult customers regularly about service provision and performance.
5. To have at least one complaints procedure and provide customers with information on request.
6. To do everything that is reasonably possible to make its services available to everyone, including people with special needs (Falconer and Ross)

Thus from the above discussion it is clear that the Charter addresses the interests and values of the citizens and the principal focus have been given on the improved public service for the individual citizen. Elcock expresses the concern that the Citizen's Charter is basically concerned with enhancing the protective rights, privileges and immunities that are accorded to the customers. However, Kingdom has criticized the Charter programme saying that far from enhancing citizenship, it actually undermines it. That the Charter has prime objective of empowering the public sector consumer, that notion has been questioned and also some other criticisms leveled are like the services are producer-dominated, managerial dominance is still prominent etc. It has been contended by the thinkers that clear and credible statements of public service standards, action in accordance with these

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standards, quick response to the complaints etc are needed so as to improve the level of and quality of public service. But the re-launch of the Charter programme was an attempt to reassert a customer-oriented approach and geared to the objective of enhancing citizen participation. Tony Blair's government launched 'Service First' programme on 1998 with the intent of transforming and modernizing public services as part of the wider programme of 'better government'. Blair wanted a better government based on individual service and also wanted the government to be bottom-up rather than top-down. Certain new principles of service delivery have been enunciated as 'Service First' which are :- set standards of service, be open and provide full information to help people using public services, consult and involve potential users of public services, encourage access and the promotion of choice to make services easily available to everyone who needs them, treat all people fairly and respect their privacy and dignity, put things right quickly and effectively when they go wrong, use resources effectively, innovate and improve the services and facilities offered, work with other providers. These charters have been adopted and are being implemented by a large number of governmental agencies and local governments. Also, a people's panel, representing a cross-section of people, was established to give more say to the people about how the services were delivered and how they could be improved. We have already discussed that the re-launch of the citizen's charter represented a significant shift in the emphasis on the role of charters. Charters were viewed as proactive managerial tools for the enhancement of the citizen's participation in the design and delivery of public services. Both 'Service First' and 'Citizen's Charter' were continuation of Margaret Thatcher's 'Managerialism' (Greenwood and Wilson 1989) (Kazi Alam Quddusi).

Here, let us discuss some of the reform measures and their basic tenets. In 1999, Modernising Government programme was undertaken and it has been stated that the government needs to deliver policies, programmes and services which makes people's lives more secure and better equipped so as to tackle the challenges. Thus, government is expected to improve the quality of people's life. And this agenda or programme stated that modernization is vital if government is to achieve that ambition. It has

emphasized on Information technology which has revolutionized our lives. It is stated that IT offers huge scope to the government for organizing various governmental activities in new, innovative and better ways which will help in making life easier for the public. Some of the commitments of this program are: responsive and quality public services, use of new technology to meet the needs of the citizens, better government to make life better for people. It has been stated that devolution is a crucial part of the government's modernization programme. Thus, it aimed at transforming the government so that it can meet public wants and needs. Thus, the key commitments of this program are policy making where results matter, responsive public services, quality public services, information age government. Thus, it aimed at making creative approach of policy-making based on the principles like: designing policy around shared goals and carefully defined results, not around organizational structures or existing functions, making sure that the policies are inclusive, avoiding imposing unnecessary burdens, improving the way risk is managed, becoming more forward and outward looking, learning from experiences.

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Stop to Consider:

The Fulton report in 1968 projected certain issues in the civil services which needed a change so as to adjust with the time. Following were the issues:-

- Too much based on the philosophy of the 'generalist'.
- Scientists, engineers, and other specialists not being given the responsibilities, opportunities and authority they should have.
- Too few skilled managers.
- Not enough contact between the service and the community it serves.
- Inadequate personnel management and career planning.

Thereafter, lot many reform measures or reform initiatives have been undertaken like: The Financial Management Initiative (1986), Improving Management in Government: the Next Steps (1988), Modernising Government (1999), Civil Service Reform: Delivery and values (2004), The Lyons and Gershon reviews and variations in

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civil service conditions. The aim of the current wave of reforms is to improve the benefit derived by the public from the work the civil service does. The changes suggested in this document expected to produce a Civil Service with a different balance.

Self Assessment Question

Q. Far reaching managerial changes came in the public sector in UK since 1980s and broadly described as the ‘New Public Management’. Discuss.

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4.6 Summing Up

Thus, above discussion proves the fact that underlying these new reform measures, the main intention was to promote customer satisfaction and cost-effectiveness. Administrative reform is enjoying its heyday around the world because various countries are taking up these new ventures so as to provide solutions to some stubborn administrative ills. In order to make the administration more cost-effective and responsive, various private sector techniques have been adopted in the public domains. We have understood from the above discussion that since the Northcote-Trevelyan Report of 1854, various reform measures have been suggested in UK so as to bring about efficiency and improvement in the administrative system. Several flaws in civil services and other aspects of administration as projected by different studies were sought to be remedied through various reform measures. Also, privatization has been regarded as the key strategy to promote fair competition between the public and private sector. With the coming of NPM, several other reform measures have been initiated.

Check Your Progress:

1. Discuss the major initiatives for administrative reform in UK with special reference to the Fulton Committee Report.
2. What is administrative reform? Discuss the major initiatives for administrative reform in UK since the Fulton Committee Report.
3. What is New Public Management? Discuss the administrative reforms in UK during post 1979 period.

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Unit-5

Grievance Redressal Machinery: concept of Ombudsman: Lokpal in India, Parliamentary Commissioner in UK

Unit Structure:

- 5.1 Introduction
- 5.2 Objectives
- 5.3 Need for Grievance Redressal Machinery
- 5.4 Concept of Ombudsman
- 5.5 Ombudsman in England
- 5.6 Ombudsman in Australia
- 5.7 Ombudsman in USA
- 5.8 Ombudsman in India
- 5.9 Summing Up
- 5.10 References and Suggested Readings

5.1 Introduction

The basic purpose of public administration is to manage the affairs of the people and to serve them. So, we can say that public administration as a means exists for the benefit of public. Also we know that in a democratic set-up, the ultimate goal of the government is to promote the happiness and well-being of the people. But due to problems like corruption and also incompetence and indifferent attitude on the part of the public servants, at times it becomes difficult for the average citizens to protect their rights and they remain deprived from the services to which they are actually entitled. Moreover, today we are living in the era of welfare state where the functions of government have increased manifold. Under these circumstances, there is the utmost necessity of citizen's grievance redressal machinery through which the citizens will be able to ventilate their grievances if any and thus can protect their rights. In this particular unit, we will try to study about the grievance redressal machinery i.e., the concept of Ombudsman with reference to the Parliamentary Commissioner in UK.

5.2 Objectives

After studying this unit, the learners will be able to:-

- *Discuss* the concept of ombudsman.
- *Analyse* the need for such grievance redressal machinery.
- *Explain* the Ombudsmanic institution in our country.

5.3 Need for Grievance Redressal Machinery

The relationship between the administration and the public has always been a matter of concern. The rigidities that are produced by the administrative procedures necessitated the machinery for redressal of grievances. Bureaucratic dominance has been a matter of concern in the administration of the developing countries. This is mainly due to the legacy of imperial rule in most of these countries. Thus there is the need of institutional devices to remedy the defects of administration in these developing countries. Decision-making on the major issues of public policy generally remains in the hands of small politico-administrative elite class and the problems like economic incapacity and lack of education reduces the people into a position of passivity and subservience. Thus various factors like the colonial legacy, social diversity, poverty and illiteracy combines together and robs public administration of its publicness in most of these developing nations. Some other factors have resulted into growing power of public administrators which are: more and more expansion of governmental activities has resulted in the enjoyment of a great deal of discretionary powers. With the increased tempo of developmental activities, bureaucracy has become all pervasive. If administrative discretion is exercised without any effective supervision, it leads to breeding corruption. Secondly, with the tremendous increase of volume of work of legislatures, the legislatures have started granting discretionary powers to the executive and this power of delegated legislation has increased further the power of the executive. As a result, institutional devices are necessary so as to check corruption and administrative injustice and also to put effective checks on the administrative agencies that are proliferating as a result of undertaking developmental works.

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5.4 Concept of Ombudsman

Ombudsman is a Scandinavian word meaning officer or commissioner and the institution of ombudsman is popularly known as the “tribune of the people”. As the name implies, the ombudsman first appeared in Scandinavia. Sweden has had the institution for over a century and a half. But after its establishment in Denmark in 1954, it suddenly captured the attention of other countries. The first British country to adopt it was New Zealand in 1962. It soon showed success and so a similar institution was proposed for Britain. Despite doubts whether so personal an institution would be practicable in a large country, and despite doctrinal objections based on ministerial responsibility, an ombudsman for the United Kingdom was instituted by the Parliamentary Commissioner Act of 1967. The Parliamentary Commissioner was first introduced to provide a remedy against maladministration by the central government, but since then the principle has been extended to local government and to many other areas of national life.

Thus, several countries have adopted the institution of Ombudsman as a bulwark of democratic government against the tyranny of officialdom. Let us now discuss the development of Ombudsman as an institution in some of the countries before taking a look at our own country, where the Ombudsman is known as Lokpal for centre and Lokayukta for states.

5.5 Ombudsman in England

Over the years, in England, the grip of Parliament and the courts over the ever-widening fronts of the administration started showing signs of weakness resulting to mounting discontentment due to administrative faults. The public criticism led to the appointment of the Franks Committee and on its recommendations, the Tribunals and Inquiries Act 1958 was passed. However, the problem of administrative faults was solved only in 1967 after the passing of the Parliamentary Commissioner Act. The ombudsman in England is officially known as the Parliamentary Commissioner who has an independent status and has been given statutory powers. He is appointed by the crown and can be dismissed by a motion of Parliament. The Parliamentary Commissioner cannot entertain a complaint directly from a

citizen but it must come through a member of the House of Commons. This is required to reconcile the notion of ministerial responsibility with the concept of such institution. He does not have any other power except to investigate and report. Parliamentary Commissioner may investigate into allegations of mal-administration i.e., injustice caused by wrong administrative actions. The term 'maladministration' used in the Parliamentary Commission Act, 1967, has not been defined in the statute. This means that the ombudsman himself can define this and work out its ramifications. Accordingly, the ombudsman has interpreted the term 'maladministration' in wide sense as including neglect, inattention, delay, incompetence, perversity, turpitude, arbitrariness and so on. The list includes 'bad decisions' also. Thus, maladministration covers a multitude of administrative faults. The jurisdiction of the ombudsman is confined to faults in administration as distinguished from questions of policy. He can report the findings to the Parliament and it is left to Parliament to decide what action should be taken on his report. The Act of 1967 further provided that the Commissioner shall not investigate cases where there are legal remedies. In 1974 the ombudsman system which had been in operation since 1967 for the central government was extended to complaints against local authorities. It needs mention here that the investigations conducted by the Commissioner are confidential in nature and unlike the Swedish system, in UK the institution has a restricted scope. The Parliamentary Commissioner is an officer of the House of Commons independent of the Executive, and in the performance of his duties, the Parliamentary Commissioner has access to all the departmental papers and reports his findings to the member or members of Parliament who presented the case. Certain administrative actions are outside his jurisdiction like matters affecting relations with other countries and the activities of British officials outside the United Kingdom.

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5.6 Ombudsman in Australia

In Australia, the ombudsman system has come into existence in two tiers as Australia is a federation. Each state has its own separate ombudsman and there is the ombudsman system at the centre. As regards the exercise of jurisdiction by the ombudsman, the Australian PM has once

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stated that the institution of ombudsman has helped the government administration to be responsible, adaptive and sensitive. According to him, the institution has neither come in the way of ministerial responsibility nor has prejudiced in anyway the role of the members of Parliament.

5.7 Ombudsman in USA

Though there is a lot of ombudsmania in USA, no ombudsman was there in administration except for the three states of Hawaii, Nebraska and Oregon for local government agencies. Since 1963, in every session of the Congress a bill has been introduced to establish an institution akin to ombudsman but it never did become an act. However, the Congressional investigations and grievance cells established in various departments.

Much like the institution of Ombudsman, the Procurator system in the USSR, Czechoslovakia, Hungary, Poland and Romania also plays a very important role in redressing citizen's grievances. However, it should be kept in mind that the procurator system prevalent in the East European countries need to be distinguished from the Ombudsman system. Also, in France, the administrative courts which are separate from the hierarchy of ordinary courts, plays a vital role in dealing with disputes between the administration and the individual citizens.

5.8 Ombudsman in India

The question of protection of rights of the people and redressal of public grievances has attracted considerable attention in our country since independence. As a result, various committees and commissions were set up from time to time so as to inquire into the problems of corruption and other associated problems and thereby make recommendations to cleanse the administration. We can mention here about the Tek Chand Committee (1949), The Railways Corruption Inquiry Committee (1953) etc. Thus, the need for institutional innovation to deal with corruption and citizen's grievances has been keenly felt and thus suggestions have been made from time to time by various committees and commissions so as to bring about administrative reforms. The Law Commission in its fourteenth report drew attention to the wide field of administrative discretion in our country where

the administrative authority may act outside the strict limits of law without the affected citizen being in a position to get effective redress. Thereafter, The Santhanam Committee on Prevention of Corruption (1964) observed: 'In the more advanced countries various methods of such control have been devised. We recommend that this should be studied and a system of control should be devised keeping in mind the needs of the situation, the difficulties that arise on account of vastness of our country and the basic principles which are enshrined in our Constitution and jurisprudence'. Also, Vigilance Commissions were set up at the centre in 1964. The Central Vigilance Commission set up in 1964 was established with the aim of preventing corruption and promoting integrity in the government of India. However, it has necessarily to depend on the Central Bureau of Investigation to investigate cases of corruption. Shri M. C. Setalvad in his speech at the All India Lawyer's Conference held in 1962 suggested the idea of establishing an institution similar to that of an ombudsman. The idea was extensively investigated by the Administrative Reforms Commission and a definite suggestion was placed before the government in its interim report dated October 14, 1966. The Commission felt that the existing institutions were inadequate and found the ombudsman as a 'sine qua non' of democratic functioning and as an essential prerequisite for the progress and prosperity on which the fulfillment of our democracy depends. The Commission recommended a two-tier machinery of Lokpal and Lokayukta for proper redressal of citizen's grievances. On the basis of the recommendations, the government prepared the Lokpal and Lokayuktas Bill 1968 and introduced it in Parliament but eventually it was allowed to lapse. Thereafter, various efforts were made to set up such institutions but all of them lapsed with the dissolution of respective Parliaments. It was in 2013 that The Lokpal and Lokayuktas Act commonly known as The Lokpal Act was passed and it is an anti-corruption Act of Indian Parliament. The bill was introduced in the Parliament following massive public protests led by Anna Hazare and his associates. The Act provided for establishing Lokpal at the centre and Lokayukta in states. It needs mention here that both Lokpal and Lokayukta are statutory bodies and they perform the function of an Ombudsman. The Act seeks to establish the institutions of Lokpal at the centre and Lokayuktas

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at the state level and thus provided an anti-corruption mechanism for our country. The jurisdiction of Lokpal includes the Prime Minister, ministers, members of Parliament and Groups A, B, C, D officers and officials of the Central Government. The Lokpal consists of a chairperson and other members. We have already discussed above that even much before the enactment of the Act of 2013, many states had already set up the institutions of Lokayuktas.

A number of states have adopted the ombudsman system by enacting Lokayukta laws, like, Uttar Pradesh Lokayukta and Upalokayukta Act 1975, Bihar Lokayukta Act 1973 etc. similarly, Orissa, M.P, Kerala, Karnataka, Gujrat, etc have also followed the same path. Maharashtra had the first Lokayukta in 1971. Rajasthan appointed the Lokayukta and the Up-lokayukta in 1973.

The first All India Conference of Lokayuktas and Up-Lokayuktas was held at Simla in May 1986. This conference after due deliberations passed the following resolutions in order to make the institution still more effective:-

- (1) That the institution of Lokayuktas and Up-lokayuktas be given a Constitutional status.
- (2) That since the jurisdiction of the Lokayuktas/Up-lokayuktas in some enactments is restricted to the ministers and public servants in office, it is advisable that ex-ministers and ex-public servants concerned in regard to the action complained against be also expressly brought within their purview.
- (3) That the jurisdiction of Lokayuktas and Up-lokayuktas should cover not only allegations or corrupt practices but also grievances and maladministration.
- (4) That the nomenclature of the institution should be Lokayukta in every state.
- (5) That there should be uniformity throughout India in regard to the service conditions of the Lokayuktas and the Up-lokayuktas.
- (6) That there be a separate independent investigating agency under the direct control of Lokayuktas/Up-lokayuktas.

- (7) That suo moto power of investigation be conferred on the lokayuktas and Up-lokayuktas.
- (8) That these institutions deemed to be a High Court within the meaning of the contempt of courts Act.
- (9) That the institutions be given the power to sanction search and seizure within the meaning of the CrPC.

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Stop to Consider:

Since the entire concept of Ombudsman and Grievance redressal machinery revolves round corruption, it is pertinent to discuss here about different modes of corruption.

The Central Vigilance Commission has identified twenty-seven modes of corruption. Some of which are discussed below:-

1. Misappropriation of public money and misappropriation of stores.
2. Possession of disproportionate assets.
3. Causing loss to government by negligence or otherwise.
4. Abuse of official position/powers.
5. Acceptance of illegal gratification in recruitments, postings, transfers and promotions.
6. Misuse of government employees for personal work.
7. Production of forged certificates.
8. Moral turpitude.
9. Acceptance of gifts.
10. Wrong assessment of claims of displaced persons.

Self Assessment Question

Q. Ombudsman can contribute towards transparency, accountability, and justice in both the public and private sectors. Explain.

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Q. Despite the presence of judiciary in our country, we still need the institution of Ombudsman for redressal of citizen's grievances. Why? Discuss.

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Check Your Progress:

1. Discuss the historical origin of the system of Ombudsman throwing light on how it has evolved over the years.
2. Discuss the limitations and challenges faced by Ombudsman in effectively discharging its duties.
3. Discuss the institution of Ombudsman in India.
4. Discuss the role and importance of the Parliamentary Commissioner as a grievance redressal machinery in the UK.
5. Discuss the main features of grievance redressal machinery in India and UK. What were the recommendations of Administrative Reforms Commissions in India regarding grievance redressal machinery and to what extent have they been implemented?

5.9 Summing Up

Thus, we have discussed above the various efforts taken from time to time to establish the institution of ombudsman. However, still the problem remains largely unresolved because dissatisfaction with governmental operations especially at the cutting-edge point where the government meets the people directly is fairly widespread. Corrupt practices are also reported time and again. Against this backdrop, the usefulness of ombudsman as a grievance-redressal machinery must be given due importance. It is known that certain degree of administrative efficiency is expected always so that most of the cases of the citizens are dealt with efficiently and promptly by the regular machineries such as the administrative agencies and the judiciary. But the fact is that the judiciary is overburdened already with heaps of

cases. So for quick remedy, institution of ombudsman is most important. When the normal administration shows signs of weaknesses like its faulty, slow-moving and corrupt, then comes the pivotal role of ombudsman. Here we can sum up our discussion with the observation of ARC. The Administrative Reforms Commission rightly pointed out: “The setting up of these authorities is not the complete answer to the problem of redress of citizens’ grievances. They only provide the ultimate set-up for such redress as has not been available through the normal departmental governmental machinery and do not absolve the department from fulfilling its obligations to the citizen for administering its affairs without generating, as far as possible, any legitimate sense of grievance”. When corruption is widespread and efficiency at low ebb, the entire administration needs to be revamped. The Ombudsman system has gained popularity throughout the world primarily because of the simple, speedy and cheap method of handling cases.

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5.10 References and Suggested Readings

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