





# **PUBLIC SYSTEMS MANAGEMENT**

THE PEOPLE'S  
UNIVERSITY

**School of Social Sciences**  
**Indira Gandhi National Open University**  
**New Delhi**

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# COURSE INTRODUCTION

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The Course entitled *Public Systems Management* is a blend of certain key concepts, principles, techniques, and practices enunciated by traditional public administration and business management. The concept of Public systems Management (PSM) has added a new dimension to the discipline of Public Administration. It is concerned with the design and operation of public services in a business-like manner. PSM focuses on managing systems, emphasising outputs, quality management, strategic planning, performance measurement etc. It is said to provide a pragmatic approach to achieving the goals of public organisations. This Course has 15 Units that give an overview of the various aspects pertaining to public systems management.

## **BLOCK 1. PUBLIC SYSTEMS MANAGEMENT: CONCEPTUAL FRAMEWORK AND CONTEXTUAL SETTING**

This Block has three units. Public systems refer to the collective of several sub-systems operating in the public realm. These function in a contextual setting. It attempts to introduce to the learners the concepts in the domain of public systems management.

### **Unit 1. Public Systems Management: Concept, Nature, Scope and Characteristics**

This unit introduces the concept, and nature of public systems management. PSM is characterised by new State institutions, administrative culture and management strategies which are analysed in detail in the unit.

### **Unit 2. Public Systems Management: Constitutional Context**

Public systems operate within a particular contextual setting, which are influenced by social, political, economic, and technological factors. The focus of discussion in this unit is on the Constitutional environment of PSM. The different authorities and commissions created under the Indian Constitution and other important commissions are described in the unit.

### **Unit 3. Public Systems Management: Political and Socio-economic Context**

The public systems are embedded within a broader framework of a political system. Also a comprehensive understanding of PSM requires an analysis of the country's socio-economic factors that set the background and influence its functioning. The unit discusses the concept of roll back of the State, regulatory State, and citizens' rights. Also, the important socio-economic factors that affect the functioning of public systems are analysed.

## **BLOCK 2. GOVERNANCE**

The discussion on governance is assuming varied dimensions and forms. The role of executive, legislature and judiciary is undergoing change. The involvement of several stakeholders in governance process is resulting in collaboration in policy making and implementation thereby bringing forth the need to address the issues of networking and inter-institutional coordination. It has assumed more significance in the context of attainment of sustainable development goals. This block examines these aspects in detail.

### **Unit 4. Concept of Governance**

The concept of governance has become prominent in public discourse since the late twentieth century. The contributing factors for this are globalisation, rise of market



forces, civil society, increasing citizens' expectations and so on. The unit introduces the concept of governance and brings forth the points of distinction between government and governance. The various conceptual interpretations of governance put forth by World Bank, OECD, UNDP, and UNESCO are discussed. The concept of governance is used in several contexts as minimal State, New Public Management, good governance, socio-cybernetic systems, self-organising networks, which are analysed. The unit describes the various forms of governance which are political, economic, and social. The unit provides an appraisal of governance.

### **Unit 5. Role of Bureaucracy and Political Executive**

The bureaucracy and political executive play an important role in governance. The political executive represents the people and has the responsibility of translating the needs of the citizens into public policies. The political executive has a significant role in public policy and law making and exercising control over bureaucracy. The bureaucracy refers to those recruited by the government to implement the policies. The unit explains the three commonly accepted connotations of bureaucracy – the Weberian, structural-functional and dynamic. The multi-faceted functions of bureaucracy are discussed. The relationship between bureaucracy and political executive is undergoing transformation. The earlier segregated roles is giving way to interdependence and becoming complementary in nature. The unit analyses the changing complexion of the relationship between bureaucracy and political executive.

### **Unit 6. Role of Legislature and Judiciary**

The doctrine of separation of powers is applicable in Indian political system with three pillars of democracy-executive, legislature and judiciary which perform separate functions as distinct entities. The legislature is an important organ of the polity. The executive and judiciary are dependent on the legislature, as it is entrusted with the function of making laws and legitimising the policies laid down by the political executive. The unit deals with the functions of the legislature in an exhaustive manner encompassing law making, reflection of public opinion, financial, electoral responsibilities and so on. Judiciary has a key role of upholding the principle of rule of law. The unit deals with the structure of Indian Judiciary. It is vested with vital functions such as law making, its interpretation, judicial review, union-state conflict resolution etc., which are discussed in the unit. The unit orients the learners with the key facets of judicial activism, public interest litigation and types of writ petitions. The unit delves into the problem areas in the functioning of judiciary.

### **Unit 7. Networking and Inter-institutional Coordination in Governance**

The complexion of governance is changing with involvement of various stakeholders such as private sector, non-profit sector, community, other states, and countries in the governing process. This broadly termed network governance is gaining prominence that aims at collaboration and inclusive policy making. It is a form of organisational alliance in which relevant policy actors are linked together as co-producers, where they are likely to identify and share common interests. This unit orients the learners with the concept of network governance, its elements, and strategies. There is discussion on the types of network governance. It brings in advantages such as pooling of expertise, stakeholder engagement, operational ease, innovation and so on. There are limitations and challenges of network governance that include coordination, communication, and goal compatibility and so on. The unit examines these in detail.

### **BLOCK 3. PUBLIC SYSTEMS MANAGEMENT TECHNIQUES**

Public systems management 's focus on achieving effectiveness and efficiency brings in the necessity of application of important management tools. Information is an important resource. It needs to be utilised as an aid in decision making, managing public systems and public service delivery. Quality management is another important concern. This block focuses on the key management techniques and the use of information and communication technology in governance.

#### **Unit 8. Public Systems Management and New Technologies**

The twenty-first century is regarded as information era. It is the key resource that ensures better public governance. In today's knowledge society, the unprecedented developments in ICT, contributes to sustainable growth. The unit attempts to enable the learners comprehend the role of new technologies in public systems management. It discusses the various facets of application of ICT in governance in the form of electronic and digital governance. The unit brings out the important dimensions of using ICT in governance in the realm of public service delivery. There is elaboration on e-governance initiatives at the national, state and international levels. Despite several advantages of application of ICT in managing public systems, there are certain constraints too which are elaborated in the unit.

#### **Unit 9. Key Management Tools (Strategic Management, Work Measurement, Decision Making Techniques)**

Public systems management emphasises on quality, customer orientation, effectiveness, and efficiency. Incorporating these in public service delivery requires application of certain quantitative and management techniques. This unit introduces the learners to important techniques- strategic management, work measurement and decision making. Strategic management is the process of specifying an organisation's objectives, developing policies and plans to achieve the objectives, and allocating resources to implement the plans. Work measurement is the technique to measure the time taken both mental and manual, to complete the assigned tasks. There is elaborate discussion on methods of work measurement. The unit describes important decision-making techniques that include classical school of decision making, incrementalistic political model, mixed scanning and garbage can model. An attempt is made to enable the learners develop an understanding of the processes, and utility of these tools.

#### **Unit 10. Management Information System**

The effectiveness and efficiency concerns relating to public systems management in service delivery and meeting the public demands is gaining prominence. Information is a key resource and there is increasing importance being given to use it for sound managerial decision making and service delivery. Management Information System (MIS) facilitates availability of information in the form of data base. The unit introduces to the learners the conceptual framework of MIS and gives a trajectory of its evolution and development. MIS has certain distinct characteristics such as management orientation, flexibility, integrated nature etc., which are discussed. The important components of MIS framework are explained. An attempt is made to clarify the concept and application of MIS with the help of a case study pertaining to Mahatma Gandhi National Rural Employment Guarantee Act. The unit attempts to give an appraisal of the MIS in public services.

#### **Unit 11. Total Quality Management**

The contemporary times is witnessing increasing reliance on total quality management (TQM) in public systems. TQM is a management planning and process that focuses



on meeting customers' expectations, identifying problems in organisation, building commitment, and promoting effective decision making in organisation. The unit explains the concept of TQM and its application to public administration. It traces the evolution of TQM in India. The key principles of TQM are elaborated. There are certain tools of TQM such as Plan-Do-Check-act, SWOT analysis, benchmarking that are described in the unit. The unit provides an appraisal of the strengths and challenges of TQM.

#### **BLOCK 4. PUBLIC SYSTEMS MANAGEMENT: EMERGING PERSPECTIVES**

This Block has four units which focus on important areas pertaining to accountability, responsiveness, transparency, reforms and change management. These areas are the emerging perspectives in the field of public administration.

##### **Unit 12. Accountability**

Accountability is the key feature of governance. Public service accountability involves methods through which a public agency or a public official fulfils assigned duties and responsibilities. The unit examines the concept, nature, and significance of accountability. The purposes and major facets of accountability are explained. The different tools of accountability are analysed. The contemporary changes in governance towards efficiency, outcomes, competition, and customer orientation and so on are posing formidable challenges to accountability which are examined in the unit. The unit deals with the changing perspectives of accountability. The unit raises certain key issues pertaining to contemporary concern- accountability in global governance.

##### **Unit 13. Responsiveness**

Responsiveness is assuming new dimensions in the discipline and practice of public administration. It is the way in which the public systems respond efficiently and effectively to people's needs. This unit explains the concept of responsiveness and deliberates on the mechanisms through which administration can be responsive such as technology, public engagement, citizens' charter and so on. It analyses the changing perspectives of responsiveness in public systems from traditional Weberian public administration model to New Public Management. The unit examines the tenets of New Public Service and New Public Governance which focus on new dimensions of responsiveness. The significance of timeliness in ensuring better responsiveness is discussed.

##### **Unit 14. Transparency and Right to Information**

Transparency is an important aspect of public systems management. The citizen's right to information is being recognised as a key instrument to promote openness, transparency, and accountability in governance. The unit explains the concept of transparency. It provides the national and international perspectives on right to information. The Right to Information Act 2005 is comprehensive that includes provisions for independent appeals, penalties for non-compliance, proactive disclosure etc. The unit elaborates on the main features of the Act. It also analyses the challenges in implementing right to information legislation.

##### **Unit 15. Reforms and Change Management**

Reforms and management of change is an important component of public systems management. The impact of globalisation and changes in the social, institutional, economic, political, cultural, and technological environment are responsible for reforms and transformation. The NPM and post-NPM reforms have also brought changes in public systems and governance globally and in India also. This unit orients the learners

with the meaning of reform and change management and their requirements. India has a history of administrative reforms and the unit provides a brief overview of these. The Second Administrative Reforms Commission constituted in 2005 gave comprehensive recommendations on several areas which are discussed in the unit. The public systems reforms encompassing inclusion and governance, infrastructure have been put forth by Niti Aayog which are outlined in the unit. There is discussion in the unit on financial sector reforms encompassing outcome-based budgeting, Fiscal Responsibility and Budget Management (FRBM), Goods and Services Tax Act, 2016, digitisation and so on. Change management is an ongoing process that pervades all levels of a public organisation and the unit examines the major aspects of change management process. There are certain challenges and problems in the implementation of reforms such as resistance to change, political will, viability of reforms etc., that are analysed in the unit.



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**Block 1**

**Public Systems Management: Conceptual  
Framework and Contextual Setting**



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# UNIT 1 PUBLIC SYSTEMS MANAGEMENT: CONCEPT, NATURE, SCOPE AND CHARACTERISTICS\*

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## Structure

- 1.0 Objectives
- 1.1 Introduction
- 1.2 Public Systems Management: Conceptual Framework
- 1.3 Genesis of Public Systems Management: Theoretical Foundations
- 1.4 Public Systems Management: Nature
- 1.5 Public Systems Management: Scope
- 1.6 Public Systems Management: Characteristics
- 1.7 Conclusion
- 1.8 Glossary
- 1.9 References
- 1.10 Answers to Check Your Progress Exercises

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## 1.0 OBJECTIVES

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After reading this Unit, you should be able to:

- Provide a conceptual framework of public systems management;
- Analyse the theoretical foundations of public systems management that form the basis of its genesis;
- Examine the nature of public systems management;
- Discuss the scope of public systems management; and
- Highlight its characteristics.

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## 1.1 INTRODUCTION

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Public administration as a specialised academic field deals essentially with the machinery and procedures of government. It is a combination of theory and practice. In simple, it is the action part of fulfilment of the objectives of the political system. Public administration both as a discipline and practice is undergoing change in the context of contemporary global developments. The current globalisation trends have led to a rethinking about the role of the State and government.

The traditional public administration assumptions are frequently shattered by contemporary happenings. The subject matter of public administration is undergoing a

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\*Contributed by Dr. Ch.C. Prasad, Assistant Director, Dr. B.R. Ambedkar Open University, Hyderabad

massive transformation. New types of public organisations, concepts, techniques, and processes for improving public service delivery are being explored. The result is development of new paradigms in public administration. The scholars of public administration in 1980s highlighted the need for adopting sound management practices in an effective manner in government systems. New Public Management (NPM) is one such manifestation in public administration. The NPM paradigm has brought in series of reforms in the domain of public administration lending a new dimension as Public Systems Management (PSM). In this Unit, an attempt is made to explore the genesis, nature, scope, and characteristics of PSM.

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## **1.2 PUBLIC SYSTEMS MANAGEMENT: CONCEPTUAL FRAMEWORK**

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A system, according to Gore and Stubbe (1994), is a “combination of resources working together to convert inputs into outputs”. Every organisation comprises systems with certain goals to fulfil, converting inputs into provision of goods and services. For example, it can be personnel, finance, logistics, marketing systems and so on. Public systems management, broadly speaking, comprises several sub-systems operating in the public arena. Each of the sub-systems aims at achieving certain prescribed goals through utilisation of resources – human, financial, and material. Public systems management operates within a broad framework of rules, regulations, catering to the needs of the public and making use of public finance.

The public domain or system has certain distinct characteristics and functions to discharge and operates within a prescribed framework. Hence it cannot totally accept the private sector principles and styles of operation. As we have discussed, globalisation over the past twenty years, had a significant impact on public systems. The neo liberal views and public choice perspective have resulted in the roll back of the State from key areas, and led to quasi markets, separation of policy from execution, professional administration, etc. Public systems, still, function within the domain of State, law, and politics and pursue the public interest. Public management reforms draw inspiration from business management where decision-making autonomy is enjoyed by the managers of companies. Nevertheless, the difference between public administration and business administration, derived from the varied nature of private and public organisations, needs to be made clear. There are two basic differences. First, the business organisation has definite owners and seeks profit, while the public organisation belongs to everyone and pursues the public interest. Second, the private company is governed or coordinated by the market, which falls within the scope of economic theory, while the State particularly the democratic State goes by the logic of democratic politics, which is analysed by political science and public law (Pereira, 2004).

Public systems management, it can be said is concerned with the designing and operation of public services and the functioning of executive government. This sort of a reform attempt of State bureaucracies seeks to make government more ‘business like’ providing a prominent role for bureaucrats as managers.

Public systems management has been considered by many as “administration and management of both direct and indirect institutions engaged in the public policy making exercise and in delivery of public services”. It is a style of management, which emphasises output targets, limited term contracts, monetary incentives, and freedom to manage.



The focus of the PSM is on results, efficiency, and measurement. Markets, Management and Measurement (3Ms) are its key features.

Public administration has always been entrusted with the major obligation of promoting public interest assuring equity, representation, and responsiveness to the citizens. But its excessive reliance on bureaucracy, hierarchy, rules, and regulations, over time, raised significant questions of its efficacy and effectiveness. Several factors such as the collapse of the USSR, increasing levels of public expenditure and taxation, dissatisfaction with the structure and functioning of bureaucracy, and the impact of globalisation have given rise to management orientation in the operations of the public systems.

The reforms under the rubric of New Public Management (NPM) embody privatisation and contracting out, deregulation, debureaucratisation, marketisation of services and stronger performance management and managerialisation. These reforms tried to shift public organisations away from the old, rule-bound Weberian form, to scale down the large public sector, and create more “business-like” public service organisations.

All the above is intended to create competitive public systems premised on managerialism. There is a global trend now to introduce a series of methods and techniques in the governmental system. Public organisations have liberally borrowed different approaches from private management. A historical perspective would reveal that bureaucracies throughout the world have rarely responded effectively to environmental challenges on their own. The remedies to bureaucratic ailments have been offered more by scholars of management. New Public Management is one such manifestation. The classical public administration based on Taylor’s Scientific Management and Weberian model have emphasised division of work, specialisation, rule orientation, impersonality, rationality, neutrality, and anonymity in public services. These models aimed at the internality of the administrative system and ignored its externality. The rigidity of models could not suit the dynamic societal changes. Further, the conventional model of public organisation is theoretically rooted in the Wilsonian dichotomy of politics and administration. The outcomes of this dichotomy include inefficient bureaucracy, nexus between the trio-politicians, bureaucrats and pressure groups or covetous interests, alienation of citizenry from administration and mounting financial burden of administrative machinery on the State exchequer. Many studies have questioned the responsiveness and efficacy of these models and their applicability to the present globalised scenario. This led to the search for alternative models of public administration. All this resulted in significant changes in the management of public systems. Broadly, these changes aim at the entrepreneurial role of public organisations with a market orientation geared to effectiveness and economy in the functioning of public systems. The major factor for the genesis of public systems management has been the influence of NPM.

Let us now discuss the theoretical foundations of NPM that paved the way for increasing importance of public systems management.

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### **1.3 GENESIS OF PUBLIC SYSTEMS MANAGEMENT: THEORETICAL FOUNDATIONS**

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Globalisation has influenced nations and their governments to structurally adjust to global corporate power restructuring and public policy choices. The nature of the State, government and public administration has changed with significant implications

world-wide for governance and self-determination. The changing nature of the State is a global phenomenon. Most of the countries have made structural adjustments in their public systems to limit the role of the State, including downsizing bureaucracy, devolution of authority, cost reduction, contracting out some of the operative functions of government, developing and designing result - oriented appraisal system and commercialisation as well as market orientation of the governmental activities. The argument is that more market does not mean less government, but different government. The administration is apparently moving from rule to result orientation, from systems to enterprise, inaction to action, centralisation to decentralisation and from the duties of administrators to the rights of citizens. Contemporary reforms are reorienting administration towards management philosophy. This management philosophy explains the crux of public systems management.

The theoretical foundation for this change prompted by NPM model is provided by several interrelated strands of literature mainly contributed by the new right, public choice approach, property rights theory and the principal agent relationship.

### ***New Right Philosophy***

The term 'New Right' was first assigned to a group of monetarists from Chicago University in 1970s. The new right school of thought propagated the idea of non-interference by the government in the economy as it created distortions in the market, which produced adverse outcomes. It broadly maintains that State involvement leads to increasing monopoly, expanding budgets, and suppressing of entrepreneurial behaviour, limiting choice, over production of unwanted services and encouragement of waste and inefficiency. In view of this, the new right philosophy has forcefully argued in favour of a reorientation of the State as regulator and producer. Therefore, deregulation and privatisation are amongst the six - point reform agenda of the New Right. The other measures are the reduction of inflation, lower taxation, increasing role of the market in the provision of public services and institutional and Constitutional reforms.

The new right philosophy has always given predominance to the values of individual rights and choice. The protagonists of this school assigned a key role to the market in creation of economic wealth and employment.

### ***Public Choice Approach***

The proponents of public choice approach hold the bureaucracy responsible for the declining quality of public services. The bureaucrat is power aggrandiser and politician a vote maximiser. They have the tendency to increase public expenditure to fulfil their own interests. A basic argument of this approach is that an individual manager or a client is a utility maximiser who is always in search of increasing net benefits. This approach questions the three major orientations to the study of public administration, viz., Wilsonian politics – administration dichotomy, Weberian bureaucracy, and Herbert Simon's rationalist decision-making model. In broad terms, the policy recommendations of the public choice approach are to:

- i) Minimise the role of the State
- ii) Limit the discretionary power of politicians
- iii) Reduce public monopolies to a minimum, and
- iv) Curb the functions of government agencies.

The impact of public choice approach on the scope of governmental activities has been significant. For example, the public choice theorists' express doubts about the very basis of government. The central role of the State is being questioned. The decentralised market-like arrangement is posited as an alternative to a coercive and ineffective bureaucratic hierarchy. An important organisational assumption in public choice approach is the desirability of decentralisation, democratic administration, and organisational competitiveness. According to Buchanan and Tullock, decentralisation creates opportunity for the promotion of competition among governmental agencies, and in the process the individual citizen's choice increases.

The public choice approach has laid the basis for a new administrative framework, which has strongly favoured reinventing the governmental functioning according to the market concepts of competition and efficiency.

### ***Property Rights Theory***

Property rights theory provides a way of understanding the incentives for performance that exist in private sector and examining whether they can be introduced in the public sector. According to Dunsire, "the central argument is that private sector organisations in which right to profit are clearly defined will perform better than those in the public sector where rights are diffused and uncertain". Privatisation, which entails changes in property rights in favour of private ownership, is thus considered beneficial for the promotion of efficiency.

### ***Principal-agent Theory***

Changes in property rights transform the relationship between the owner of the firm or organisation and management. To explain this phenomenon, the proponents of privatisation rely upon principal-agent theory in which owner is the principal and management is the agent. The agent is expected to pursue the goals of the principal.

The principal-agent theory is based on contract as the basis of social and political life. The agent agrees to perform tasks on behalf of the principal and in return, the principal agrees to reward the agent on mutually acceptable manner. Contracting is resorted to by the principal, as the jobs to be performed require specialised knowledge, expertise, and skills. Agents in a contractual relationship, take decisions that affect the principal and act in ways that contribute to fulfilment of principal's objectives in a maximum manner.

These theoretical assumptions laid the foundation for new public management. This had a major impact on the public administration focusing on more managerial orientation thus popularising the concept of public systems management.

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## **1.4 PUBLIC SYSTEMS MANAGEMENT: NATURE**

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Over the years, different forms of political and administrative systems and methods of governance have been focusing on the ways to reconcile the interests of the citizens with that of the role of the State. The emergence of the concept of public systems management in public administration has added a new dimension to the whole issue of governance. It brings the following changes in the functioning of public organisations viz.

- Steering role of the government instead of direct provision;
- Flexibility in tailoring the organisation to circumstances;

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- Focus on results and outcomes;
- Greater attention to strategic planning;
- Adoption of private sector personnel practices such as performance linked remuneration;
- Orientation to the needs of customers;
- Use of market mechanisms in those activities of public sector which cannot be privatised ; and
- Emphasis on efficiency and cost cutting

In public systems management, the unique aspect is the ‘public domain’ or the ‘publicness’. Ranson and Stewart (1994), insist on the uniqueness of public domain, which, they do not doubt, cannot be reduced to the principles of private administration.

Public systems management offers a more pragmatic approach to achieve the goals of public organisation. Public systems managers are to become entrepreneurs and develop innovative ways of government provision through the bureaucracy and providing services through other means involving the private sector. This could be more creative and dynamic. Modern governments are giving importance to managerialism to provide efficient services to people at the lowest administrative costs. Managerialism does not mean usurping of government by technocrats, a reduction in accountability or a diminution of democracy. Instead, managerialism allows the government to provide public services in a more efficient and cost-effective way. It also provides more information to the managers to take better policy decisions. PSM attempts to be people-sensitive, efficient, and cost effective in delivering public services. It has both ethical consistency and organisational flexibility to remain faithful to the achievement of the goals of public service. The approaches of PSM include more participation, flexibility, and deregulation internally, and the use of market mechanisms externally. It aims to achieve accountability through the measurement of outcomes rather than accounting for inputs.

**Check Your Progress 1**

**Note:** i) Use the space given below for your answers.

ii) Check your answers with those given at the end of the Unit.

1) Explain public choice theory.

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2) Bring out the implications of public systems management.

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## 1.5 PUBLIC SYSTEMS MANAGEMENT: SCOPE

The defining characteristics of traditional public administrative model are a product of industrial era government. The important characteristics of this model are centralisation and hierarchical bureaucracies according to routine standard operating procedures. The NPM model on the other hand has a different set of characteristics more suitable to a post-industrial, service-based economy. The vertical hierarchy has given way to horizontal networks, bureaucracies are diminishing, and shared leadership structures are emerging. Public systems management, in the changed context, gives primacy to:

- Distinguishing policy from execution;
- Productivity, through getting more services from lesser revenues;
- Marketisation, by replacing traditional bureaucratic structures, mechanisms, and processes with market strategies;
- Service-orientation, by assigning priority to the needs of customers;
- Decentralisation, by devolving service delivery responsibilities to lower levels and local governments; and
- Accountability for results focusing on outputs and outcomes, instead of mere inputs, processes, and structures.

Contemporary governments are attempting to be performance oriented. Therefore, management of government needs to be deregulated. The nature of public agencies must be entrepreneurial, mission-driven, and service-oriented. Public systems managers are to be risk-takers who invite participation of other similar organisations for partnering and reward performance. In this scenario, the scope of public systems management is confined to following areas of governance:

- Focusing on achieving results rather than primarily conforming with processes;
- Introducing market principles such as competition, contracting out in the provision of goods and services;
- Making public administration customer-driven to enhance service ethic and efficiency;
- Assigning the role of steering activities to the government rather than rowing, relying on third parties such as non-profit organisations and other levels of government in implementation of policies;
- Deregulating the government activities to make it result-oriented;
- Empowering the employees to serve the customers as it promotes teamwork ;
- Changing the overall public administrative culture towards flexibility, innovation, entrepreneurialism, as 'opposed to' rule-bound, process orientation and focusing on inputs rather than results; and
- A new entrepreneurial, user-oriented culture is being created in public systems, with emphasis on performance measurement, autonomy to organisation; and freedom to individuals.

With changing times, newer aspects were included in the NPM model and the scholars termed it as NPM model II. The critical aspects of this model II are:

- Introduction of a more elaborate and evolved quasi-market system.
- Creation of more fragmented or loosely contracted public sector organisations at the local levels setting in a change from management of hierarchy to management of contract.
- Distinguishing between the strategies for core and the large and contracting out the non-strategic functions.
- Delaying and downsizing.
- Introduction of new managerial concepts, creating network of organisations, and strategic alliances between the organisations.
- Moving away from standardised service forms to more flexible and varied service forms.

The importance of organisational culture, values, vision, and the concept of learning organisation influenced the NPM as well and therefore suitable changes were also suggested in the theory by the scholars.

In simple, NPM has changed the focus of government from process to results. The following table depicts the differences between traditional bureaucratic system and public systems management in undertaking governmental functions.

**Table 1.1: Bureaucratic System vs Public Systems Management**

	<b>Bureaucratic System</b>	<b>Public Systems Management</b>
1	Public service is considered an exclusive task performed by the government.	Public service is considered as a collaborative exercise involving government, NGOs, and private sector etc.
2	Citizen avoiding and secrecy in governmental business	Citizen-friendly, transparent, and accountable
3	Public-private distinction	Public-private participation
4	Rigid, rule-bound, and hierarchic model	Flexible organisational design and practices model
5	Process accountability	Result accountability
6	Anonymous bureaucracy	Accountable bureaucracy
7	Structure-oriented	People-oriented
8	Emphasis on rationality in decision making process	Emphasis on bounded rationality in decision making process
9	Adoption of centralised strategy	Adoption of decentralised strategy
10	Authoritative approach	Participatory approach
11	Politics- administration dichotomy	Politics- administration confluence
12	Focus on structures and processes	Focus on performance and results

The above table clearly reveals how PSM is distinct from traditional bureaucratic system in performing governmental functions. Since public administration in present times has become complex, PSM needs to work with broad-based networks to provide efficient public services to citizens.

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## 1.6 PUBLIC SYSTEMS MANAGEMENT: CHARACTERISTICS

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Public systems management emphasises increasing managerial autonomy by reducing central agency control in administration. It recognises the importance of providing the human and technological resources that managers need, to achieve their performance targets. The important characteristic of PSM is that responsibility is taken by managers for the achievement of results. Under this, the relationship between politicians and managers is more fluid and is closer than before. It does not disown the essential political character of government but, at the same time, would claim a degree of autonomy in terms of both input handling and results production. Another important characteristic feature is recognition of the need for direct accountability of the manager to the public or the consumer. There is thus a client focus and greater responsiveness to outside groups and individuals in public systems management. It has the following characteristics that tend to mend the traditional ways of organising government:

- i) Concerned with the delivery of high-quality services that citizens value.
- ii) Citizens are considered as active consumers and serious attempts are made to find out their expectations and needs.
- iii) Provides greater flexibility in working conditions such as contractual appointments, workplace bargaining etc., and is permitted to make use of more expertise and employee creativity.
- iv) Creates conditions for more positive and productive managerial leadership, simplifies organisational structures and flattens hierarchies.
- v) Develops rigorous performance measurement of individuals and organisations.
- vi) Receptive to competition and adopts an open-minded attitude towards management of public organisations.
- vii) Adopts collaborative and net-working approach to work with public, private, voluntary sectors in solving community problems and providing public services.
- viii) Advocates decentralisation of authority embracing participatory management model.
- ix) Prefers market mechanisms to bureaucratic mechanisms.

Public systems management is characterised by new State institutions, administrative culture, and management strategies. It does not undermine the importance of State bureaucracy. On the contrary, it assigns an important strategic role to it. The public systems are characterised by:

- High levels of transparency and accountability instead of mere adherence to procedures, rules, etc.



- Extensive use of information technology for all operations.
- Decentralisation of activities, contracting, outsourcing with State exercising control over strategic areas.
- Assignment of new role to civil servants, exercising technical competence, managerial skills along with policy making capacities.
- A new work culture in public systems and organisations with incentive systems, performance evaluation, pay differentials etc.

PSM is result-oriented and objective focused. The driving motives are three E's – Economy, Efficiency and Effectiveness. In brief, PSM adopts explicit market orientation and relies on private sector practices. It seeks to blend managerial pragmatism and political conviction. It promises professionalism, impartiality, high ethical standards, and the reduction of corruption along with improved performance.

The main criticism on PSM is that public interest is at risk and could undermine the trust in government. The government must be accountable to the larger public interest, not only to the individual immediate customers or consumers of its services. Scholars like Frank Dunleavy believe that NPM is phasing out because of disconnect with customers and their institutions. In countries that are less industrialised, the NPM concept is still growing and spreading. This trend has much to do with a country's ability or inability to get their public sector in tune with digital era.

### **Check Your Progress 2**

- Note:** i) Use the space given below for your answers.  
ii) Check your answers with those given at the end of the Unit.

- 1) Distinguish public systems management from bureaucratic system.

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- 2) State the characteristics of public systems management.

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## **1.7 CONCLUSION**

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There have been remarkable changes globally in the 80s and the 90s as governments in many countries sought to adapt themselves to new technology, new societal demands, and keen competition. This has led to a search for a new kind of orientation in public administration permeating all its systems and sub-systems. Rigid, rule-bound, and hierarchic public administration does not suit the needs of a dynamic situation demanding

speedy action. In this perspective, many of the flexible organisational designs and practices pioneered by the private sector have been introduced in the public systems with suitable modifications. Public systems management today is thus being refashioned to underemphasise the traditional Weberian rule-boundedness and the focus is now more on results and cost effectiveness.

Public systems management considers citizens as active consumers and adopts collaborative approach to work with public, private, and civil society organisations in solving community problems and providing public services. Network governance is in place about which we shall be discussing in unit 7 of the Course. PSM seeks to make public service delivery efficient, effective, and economical with the adoption of many of the management concepts and techniques of the private sector. The main criticism of PSM is that public interest is at risk and could undermine the trust in government.

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## 1.8 GLOSSARY

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- Civil Society** : It refers to self organisation of citizens. It is the collective of social organisations, which enjoy autonomy from the state and pursue special interests. Civil society includes network of groups that include financial, private, charitable, social service, development, and professional organisations.
- Debureaucratisation** : It implies reducing the bureaucracy prevalent in organisations. It is done through removal of monopolies, reducing the exercise of power and authority from a few bureaucrats or politicians in government. This is also achieved through promotion of participation of various forms of citizens' organisations in the country's governance.
- Deregulation** : It is the process of lessening the monopolies of few in any sector of the economy by opening those sectors to other players also. The reforms ushered in India since 1990s, has thrown open certain sectors of the economy such as banking, telecommunications, civil aviation etc., to competition to provide better service at lower prices and greater choice. These sectors have been given more autonomy free from stringent rules and regulations.
- Neo-liberalism** : This thinking gained prominence from mid 1950s in Britain which advocated free market. It gave significance to supremacy of market mechanisms, maximisation of individual liberty and freedom, roll back of State. It propagated diminishing the role of welfare State as it was said to affect the potential of free market.

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## 1.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

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### Check Your Progress 1

- 1) Your answer should include the following points:
  - Public choice theory advocates introduction of the market concepts of competition and efficiency.
  - The bureaucracy is concerned with power maximising tendencies and politicians are considered vote maximisers.
  - This leads to increasing public expenditure and budget deficits.
  - The proponents of public choice theory recommend minimising the role of the State, limiting the discretionary powers of politicians, reducing public monopolies to the minimum, and curbing the functions of government agencies.
- 2) Your answer should include the following points:
  - Steering role of government instead of direct provision.

- Flexibility in organisational functioning as per circumstances.
- Focus on results and outcomes.
- Attention to strategic planning.
- Adoption of private sector personnel practices.
- Orientation to the needs of customers.

### **Check Your Progress 2**

1) Your answer should include the following points:

- Public systems management differs from bureaucratic system by being  
a) collaborative b) citizen-friendly, transparent, accountable c) people-oriented  
d) participatory e) performance and result - oriented.

2) Your answer should include the following points:

- Delivery of high-quality services that citizens value.
- Greater flexibility in working conditions.
- Rigorous performance measurement of individuals and organisations.
- Collaborative and networking approach to work.
- Market mechanisms in place of bureaucratic mechanisms.
- Decentralisation of authority.

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## UNIT 2 PUBLIC SYSTEMS MANAGEMENT: CONSTITUTIONAL CONTEXT\*

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### Structure

#### 2.0 Objectives

#### 2.1 Introduction

#### 2.2 Constitutional Environment of Public Systems

#### 2.3 Constitutional Authorities and Commissions

##### 2.3.1 Comptroller and Auditor General of India

##### 2.3.2 Finance Commission

##### 2.3.3 Election Commission

##### 2.3.4 Union Public Service Commission

##### 2.3.5 Attorney General of India

##### 2.3.6 National Commission for Scheduled Castes

##### 2.3.7 National Commission for Scheduled Tribes

##### 2.3.8 Official Language Commission

##### 2.3.9 Commission for Linguistic Minorities

##### 2.3.10 Administrative Tribunals

##### 2.3.11 Civil Services

#### 2.4 Other Important Commissions

##### 2.4.1 National Commission for Women

##### 2.4.2 National Commission for Backward Classes

##### 2.4.2 National Human Rights Commission and State Human Rights Commissions

#### 2.5 Conclusion

#### 2.6 Glossary

#### 2.7 References

#### 2.8 Answers to Check Your Progress Exercises

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### 2.0 OBJECTIVES

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After reading this Unit, you should be able to:

- Comprehend the importance of contextual relevance of public systems management;
- Explain the Constitutional environment of public systems management in India; and
- Discuss the different Constitutional authorities and Commissions that are playing an important role in public systems management.

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### 2.1 INTRODUCTION

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Public administration, as Fred Riggs so forcefully argued, is influenced by its environment. Every system operates in a given environment and has a contextual setting in accordance

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\*Contributed by Dr.Ch. C. Prasad, Assistant Director, Dr. B. R. Ambedkar Open University, Hyderabad.

with which different policy issues and problems at hand are translated into action, implemented, and evaluated. The nature of State, the type of polity, the role of various governmental and non-governmental agencies and actors, culture, ethics, and values etc., have an important bearing on the functioning and performance of public systems. In other words, all these variables and forces are components of the contextual set up of the public systems management. The social, economic, political, technological, and constitutional factors are features of a contextual set up within which public systems operate. Policies are formulated and implemented taking cognisance of these factors. Therefore, public systems management cannot ignore these contextual factors and forces.

The focus of discussion of the present unit is confined to analysing the Constitutional environment of public systems management in India.

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## 2.2 CONSTITUTIONAL ENVIRONMENT OF PUBLIC SYSTEMS

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Modern governments are Constitutional governments. The Constitution is the basic law of the land. It not only establishes institutions of government but also lays down the goals of the State. The modern Constitutions are very elaborate documents, which go much beyond the description of three branches of government viz., the executive, the legislature, and the judiciary. Public systems function under the Constitutional framework and derive powers from it. But it has been observed that the legal and Constitutional framework under which the public systems of a country function does not give a total picture of actual reality of the functions of these systems. However, it is important to have an adequate understanding of the main Constitutional provisions relating to operations of public systems and those pertaining to various authorities and commissions provided for in the Constitution that strive to achieve Constitutional goals and objectives. The Constitutional principles, institutions and bodies determine and vitally influence the environment of public systems management.

Governance, in its political sense means the exercise of legal power and authority vested in the institutions and bodies of the Constitution to carry out the avowed goals and purposes of the State. The system of governance in India is in accordance with some of the basic objectives having been laid down by the planners in the light of the Constitution of the country. In the context of these objectives, public systems must be managed. The main thrust of these systems has been on self-reliance, economic growth, industrialisation, modernisation, and social justice. The Indian Constitution is not merely a document dealing with responsibilities and powers of the union and the states, it lays down the basic philosophy of governance and provides a kind of direction to administer the country. The following features of the Indian Constitution, broadly determine the environment in which public systems are to perform the activities:

- Preamble
- Parliamentary Democracy
- Federation with a Strong Centre
- Fundamental Rights and Duties
- Directive Principles of State Policy

- Independent Judiciary
- Judicial Review

### **Preamble**

The Preamble is an introductory statement regarding the overarching philosophy of constitutional governance. It specifies the source of authority, the system of government, the objectives to be attained by the political and administrative systems and the date of the adoption and enactment of the Constitution. It declares India as a “Sovereign, Socialist, Secular, Democratic Republic” and to secure to all its citizens, Justice, Liberty, Equality and Fraternity. It contains lofty ideals serving as the beacon and the polestar for guiding the nation’s governance. In the case of *Keshavananda Bharati vs. State of Kerala*, the Supreme Court declared the preamble as part of the Constitution.

### **Parliamentary Democracy**

The Indian model of political system is a creative representation of the values of modern liberal democracy. The most significant development in India’s Constitutional history is the consolidation of a parliamentary form of government, which broadly corresponds with the Westminster model. In this system of government, the executive is an integral part of Parliament and is responsible to it.

### **Federation with Strong Centre**

The Constitution describes India as a “Union of States”, however, the system of government is federal. Although the word ‘federation’ is nowhere used in the Constitution, all the basic structural features of a federal government are incorporated in the Constitution.

The nature of federalism in a country is based on the requirements of that country. The conditions in which the federal system evolved in India necessitated a strong centre. The Indian federal system may be described as a new experiment in federalism for ensuring national unity and growth at one end and regional autonomy at the other.

### **Fundamental Rights and Duties**

The fundamental rights and fundamental duties are incorporated under Part III and Part IV of the Constitution, respectively. The former was included originally from the inception of the Constitution, while the latter i.e., fundamental duties have been included as a part of the 42<sup>nd</sup> Amendment Act of 1976. The fundamental duties are non-justiciable. Part III of the Constitution relating to the fundamental rights contains 24 Articles i.e., from Article 12 to Article 35 of the Constitution. These rights can be classified into six groups:

- 1) Right to Equality
- 2) Right to Freedoms
- 3) Right against Exploitation
- 4) Right to Freedom of Religion
- 5) Cultural and Educational Rights
- 6) Right to Constitutional Remedies



The above rights, however, are not absolute. The State can impose reasonable restrictions on these rights. During national emergencies enforcement of these rights can be suspended.

### **Directive Principles of State Policy**

Part IV of the Constitution contains various articles (36 to 51) relating to the Directive Principles of State Policy. The articles indicate the responsibilities of State in promoting the rights and benefits of the individuals and in translating the basic values of the Constitution in real life. To illustrate, some of the Directive Principles entrust the State to:

- a) Promote the welfare of the people and secure a just social order;
- b) Ensure equal justice and free legal aid to the poor ;
- c) Take steps to organise village panchayats and to endow them with such powers as may be necessary to enable them to function as units of self-governments;
- d) Make efforts to secure a uniform civil code throughout the territory of India etc.

The above directives are directions to the legislature and executive wings of government to be observed while formulating laws and policies. Most of them aim at the establishment of economic and social democracy, which is pledged for in the Preamble.

The Directive Principles are not enforceable by courts. They are moral precepts, and the courts are increasingly taking these principles into consideration while interpreting the Constitution.

### **Independent Judiciary**

India has a single integrated system of courts for both union and states. At the apex of the entire system is the Supreme Court of India. Below the Supreme Court are the High Courts and the Subordinate courts. The President of India appoints the judges of the Supreme Court and High Courts, but to ensure their independence, the terms and conditions of their service are regulated by the Constitution.

### **Judicial Review**

Judicial review implies the powers possessed by the courts to pronounce upon the Constitutional validity of the acts of public authorities, both executive and legislative. The expression 'judicial review' does not figure in the Constitution but has been derived by the judiciary through various provisions. In India, judiciary has the power to interpret the Constitution and to determine the relationship of the different organs of the Constitution.

Other important features of Constitution include single citizenship, bicameral legislature, special provisions for minorities, scheduled castes, and tribes. Elaborate provisions for dealing with emergency conditions arising due to unforeseen exigencies are also incorporated. Constitutional status is also accorded to certain commissions like the Public Service commissions and the Election commission.

Till date the Indian Constitution has been amended nearly 104 times. In the present coalition era of Indian democracy, amendment to the Constitution has become an overly complex and difficult exercise.

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## 2.3 CONSTITUTIONAL AUTHORITIES AND COMMISSIONS

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The Constitution of India has different provisions, for creation of various authorities and commissions which have been playing an important role in public systems management. It contains provisions to enable them to function independently and impartially and to remain uninfluenced by the executive. These institutions display in their behaviour and functioning complete objectivity and independence. The Constitution of India enumerates the following authorities and commissions:

- 1) Comptroller and Auditor General of India (Articles 148-157)
- 2) Election Commission (Article 324).
- 3) Union Public Service Commission (Articles 315-323)
- 4) Attorney General of India (Article 76)
- 5) National Commission for Scheduled Castes (Articles 338)
- 6) National Commission for Scheduled Tribes (Article 338 A)
- 7) National Commission for Backward Classes (Article 338B)
- 7) Commission for Linguistic Minorities in India (Article 350 B)
- 8) Finance Commission (Article 280-1).
- 9) Official Language Commission (Article 344).
- 10) Committee of Parliament to Examine the Report of the Language Commission (Article 344(4)).
- 11) State Public Service Commission (Articles 315-323)
- 12) Advocate-General for the State (Article 165).
- 13) Administrative Tribunals.
- 14) State Finance Commission
- 15) Civil Services

Some of these are functioning independently both at central and state government level, while others are common to both the levels of government. These are:

- a) Comptroller and Auditor General of India
- b) Election Commission and
- c) Finance Commission.

The other institutions and bodies belong either to the centre or to the states. The bodies which are functioning under the central government are:

- a) Union Public Service Commission
- b) The Attorney General of India
- c) National Commission for Scheduled Castes

- d) National Commission for Scheduled Tribes
- e) National Commission for Backward Classes
- e) The Official Language Commission
- f) The Committee of Parliament to examine the Report of the Official language Commission; and
- g) Commission for Linguistic Minorities.

There are only two bodies within the exclusive sphere of the states, namely, the State Public Service Commission and the Advocate General for the state. Many of these authorities and commissions are of a standing nature while some are set up periodically.

The authorities like the Comptroller and Auditor General, Union Public Service Commission, Attorney-General of India, the Special Officer for Scheduled Castes and Scheduled Tribes, Special Officer for Linguistic Minorities, the State Public Service Commission and Advocate General for the State are standing in nature.

The Finance Commission, the Official Language Commission, and the Committee of Parliament to examine the Report of the Official Language Commission are set up from time to time. It is also to be observed that some of the Constitutional authorities have plural membership, while others have single membership. In addition, there are certain commissions created by Acts of Parliament such as, National and State Human Rights Commissions etc. The following sub-sections shall discuss some of the Constitutional authorities and institutions.

### **2.3.1 Comptroller and Auditor General of India**

The Comptroller and Auditor General (C&AG) occupies a unique place in Indian democracy. It was created by the Constitution Act, 1950. It is a Constitutional authority responsible to conduct the audit of the financial transactions of the union and state governments and union territories.

The President appoints the C&AG by warrant under his/her hand and seal. The term of office is six years or until he /she attains the age of 65 years whichever is earlier. The C&AG can be removed from office only on two grounds, viz., proved misbehavior or incapacity. The removal procedure is overly complex and serves as an effective safeguard against executive interference. The Constitution guarantees that the salary and conditions of service shall not be changed to his / her disadvantage after the appointment. The salary and allowances of the C&AG shall be charged on the Consolidated Fund of India.

The duties and powers of the Comptroller and Auditor General of India are prescribed by an Act of the Parliament called the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. With the separation of accounts from audit in certain departments of union government, the Comptroller and Auditor General has ceased to be responsible for maintaining the accounts of certain departments, since separate accounts offices were in existence for them. In 1976, the Government of India took accounting functions under its own administrative ministry / department with the result that separation of accounts from audit in central government became complete. The C&AG performs the following functions pertaining to audit:

- All transactions of the union and of the states relating to Contingency Fund, and Public Accounts.

- All trading, manufacturing, profit and loss accounts and balance sheets and other subsidiary accounts kept in any department of the union or of a state; and in each case to report on the expenditure, transactions, or accounts so audited.
- Receipts and expenditure of bodies or authorities substantially financed from union or state revenues.
- Accounts of any other bodies or authorities by request.

In the performance of the duties, he / she is assisted by the Indian Audit and Accounts Department.

The Constitution of India has prescribed the procedure to be followed by the C&AG for presentation of audit reports. Regarding the union government accounts, C&AG shall submit audit report to the President. The audit report on the accounts of the state government shall be submitted to the Governor of the State. In turn, President / Governor are to lay these audit reports before the Parliament / state legislature, respectively.

The C&AG is neither an officer of Parliament nor a functionary of the government. It is one of the most important Constitutional positions established for the purpose of securing the highest standards of financial integrity in government. Article 148 of the Constitution contains various provisions, the objective of which is to ensure the independence of the Comptroller and Auditor General of India. Some of the salient features of this Article are:

- 1) He / she can be removed from office only by an order of the President passed after an address by each house of Parliament, supported by most of the total membership of that House and by a majority of not less than two-thirds of the members of that House present and voting, and would be presented to the President in the same session for such removal.
- 2) The terms and conditions of the service have been made secure and cannot be varied to his disadvantage, after his/her appointment.
- 3) It also lays down that the C&AG will not be eligible for further appointment either under the Government of India or under the Government of any state after s/he has ceased to hold his office.
- 4) The administrative expenditure of the office of the C&AG has been a charge on the Consolidated Fund of India.

The provisions indicate that the C&AG is an officer of Constitution and is supposed to work for it without fear or favour.

### **2.3.2 Finance Commission**

Article 280 of the Constitution provides for the setting up of a Finance Commission by the President every five years. So far fifteen Finance Commissions have been set up. The Commission is composed of one Chairman and four other members. The Chairman is appointed from amongst persons having experience in public affairs. The remaining members are selected from judiciary, accounts, administration, and economics.

Under the Constitution, the basis for sharing of divisible taxes by the centre and the states and the principles governing grants-in-aid to the states are to be decided by the Commission every five years. The President can refer to the Commission any other matter in the interest of sound finance.

The Commission recommends to the President:

- Basis for distribution of the net proceeds of taxes between the centre and the states.
- Principles, which should govern the 'grants-in-aid' to be extended to the states out of the Consolidated Fund of India.
- It suggests amounts to be paid to the States of Assam, Bihar, Orissa, and West Bengal in lieu of the assignment of system of export duty on jute products.

The Finance Commission's recommendations together with an explanatory memorandum as to the action taken by the government on them are laid before each house of Parliament.

The formation of the Finance Commission is a necessary requirement for maintaining the financial balance between the centre and the states. The Finance Commission is an instrument to correct regional imbalances. It has been playing a vital role as a Centre-State coordinating agency. Though the Constitution nowhere lays down that the recommendations of the Commission are binding on the government, the union government is apt to accept its recommendations.

The 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts have provided for the establishment of State Finance Commission to recommend revenue sharing between the state government and the local bodies. The State Finance Commission is appointed every five years. Its report is required to be considered by the Finance Commission functioning at the central level.

### **2.3.3 Election Commission**

The Constitution provides for an independent Election Commission to ensure free and fair elections to the Parliament, State legislatures and the Offices of President and Vice President. This Commission is unique in the sense that since its inception (except from 16<sup>th</sup> October 1989 to January 1, 1990) it has remained only as a one-member body consisting of the Chief Election Commissioner and since 1993 the Commission has become a three-member body. It is a Constitutional body established in pursuance of Article 324. The President may appoint the Election Commission consisting of a Chief Election Commissioner and such other Commissioners. Earlier the tenure was five years, which has been extended now to six years or till the day he/she attains the age of 65 years; whichever is earlier. The tenure of Chief Election Commissioner can be cut down on account of resignation or removal by the President on the grounds of proved misbehaviour or incapacity on the recommendation of the Parliament. Any other Election Commissioner shall not be removed from office except on the recommendations of the Chief Election Commissioner.

The service conditions and tenure of the Election Commissioner are subject to the provisions laid down in a law made by the Parliament. They cannot be changed to their disadvantage during their term of office.

The functions of the Election Commission are to:

- Prepare electoral rolls for the elections and suitably revise them after every census and before every general elections to the union and state legislature.
- Supervise the election machinery throughout the country so that elections are held in free and fair manner.

- Appoint and nominate staff for conducting the elections from time to time and making arrangements of necessary election material.
- Notify the dates and schedules of elections so that nomination papers are filed and properly scrutinised before the elections take place.
- Appoint officers for enquiring into disputes relating to electoral arrangements.
- Request President of India or the Governor of a state for staff necessary for conducting the elections.
- Cancel polls if mass scale rigging or other irregularities are committed.
- Play the role of a tribunal for settling matters as giving recognition to a political party or allotting a symbol for the election purposes.
- Advise the President or the Governor as the case may be, on a matter relating to the disqualification of a legislator.
- Declare the election results and appoint election tribunals for deciding election disputes.
- Issue a code of conduct to be observed by all parties and people at the time of elections.

The 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts have provided for the establishment of Election Commission at State level to conduct elections for rural and urban local bodies in the states.

### **2.3.4 Union Public Service Commission**

Article 315 of the Constitution provides that there shall be a Public Service Commission for the union and a Public Service Commission for each state. Two or more states may agree that there shall be one Public Service Commission for that group of states if a resolution to that effect is passed by the Legislature. Then Parliament may by law provide for the appointment of a Joint State Public Service Commission to serve the needs of those states. Article 316 empowers the President of India to appoint the chairman and other members of the Commission. However, the Constitution did not prescribe the size of the membership of the Commission. Normally, the Union Public Service Commission (UPSC) consists of 6 to 8 members.

The number of members constituting the UPSC, or a Joint Public Commission and the conditions of their service are determined by the President of India and in the case of the State Public Service Commission by the Governor of the state concerned. The Constitution also determined that one half of the members of the Commission should be persons who have held office under the Government of India or of a state at least for ten years.

The chairman and members of the UPSC hold office for a term of six years or until they attain the age of 65 years whichever is earlier. The Constitution has left the freedom to the President to prescribe the conditions of service of the members of the UPSC, such as salary, travelling allowances, and leave rules etc. The conditions of service shall not be changed to his/her disadvantage after his appointment. The expenses of the Union and State Public Service Commission including salaries, allowances, and pensions payable to the members shall be charged on the Consolidated Fund of India.

Elaborate legal provisions are made to secure the independence of the members of the Commission. A member may be terminated if he resigns from his office in writing to the President and the President removes him from office. The President may remove a member from office if s/he is adjudged insolvent or engages in any paid employment outside the duties of his/her office or is in the opinion of the President infirm in mind or body. S/He cannot be removed from office on any other ground except if the Supreme Court finds him/his guilty of proven misbehavior on a reference made to it by the President.

It is the duty of the UPSC to present annually to the President a report, as to the work done by the Commission. On receipt of such report, the President places a copy of it together with a memorandum explaining the cases, if any, where the advice of the Commission was not accepted on the table of the Parliament. In such cases, the reasons for non-acceptance should be stated.

### 2.3.5 Attorney General of India

The Attorney General, formerly known as Advocate General, is the highest Law Officer of the Government of India. He/she is appointed by the President of India, who can also terminate his appointment. His/her emoluments and conditions of service are determined by the President. The Constitution states that s/he must possess the same qualifications that are necessary for a Judge of the Supreme Court. In other words, s/he must be a citizen of India. S/he must have served as a Judge of some High Court for at least five years or as an advocate in some High Court for not less than ten years or that s/he must be a distinguished Jurist. S/he can quit his office by tendering resignation to the President. S/he can enjoy all the privileges and immunities permissible to a Member of Parliament.

The Attorney General has the right to take part in the proceedings of Parliament without the right to vote. In the discharge of his/her duties, s/he has the right of audience in all Courts in India. The Attorney General is assisted by a Solicitor-General and two Additional Solicitors-Generals.

The Attorney General's main function is to advise the central government upon those legal matters as may be referred to him/her and to carry out duties of legal character assigned to him/her. S/he also discharges such other duties of a legal character as are assigned to him/her by the President from time to time. S/he performs the following functions:

- Appears on behalf of the government in all cases including suits and appeals before the Supreme Court or any High Court in which the government is a party. S/he may be asked to appear before the Court on behalf of the Parliament or its presiding officer.
- Required to appear and represent the point of view of Government of India in matters of references made by the President to the Supreme Court for having its advisory opinion.
- Authorised the right of audience in all Courts of India and Commission of Enquiry.
- While appearing before the Supreme Court, S/he has precedence over all other advocates.
- Provide opinion on matters of legal and constitutional importance when asked, though that opinion is not binding upon the Speaker.



- Advise on the competence of the Parliament to pass laws without impinging the guaranteed Fundamental Rights and without transgressing the legislative field demarcated for the states under the federal system.

The above functions and powers reveal that S/he is the Principal Adviser to the Government of India in the matters of legal and constitutional importance.

### **2.3.6 National Commission for Scheduled Castes**

The Commissioner for Scheduled Castes and Scheduled Tribes set up under Article 338 of the Constitution was replaced in 1990 by the National Commission for Scheduled Castes and Scheduled Tribes. Later, the 89<sup>th</sup> Constitutional Amendment Act 2003, provided for separate National Commission for Scheduled Castes and another for Scheduled Tribes. The National Commission for Scheduled Castes (Article 338) is a multi-member body, appointed by the President under his hand and seal. It investigates and monitors all matters relating to the safeguards provided for the scheduled castes under the Constitution or any other law and makes recommendations for their socio-economic development. The National Commission submits an annual report to Parliament.

### **2.3.7 National Commission for Scheduled Tribes**

The National Commission for Scheduled Tribes (Article 338 A) is a multi-member body, appointed by the President under his hand and seal. It investigates and monitors all matters relating to the safeguards provided for the scheduled tribes under the Constitution or any other law and makes recommendations for their socio-economic development. The National Commission submits an annual report to Parliament.

Scheduled castes and tribes are constitutionally safeguarded. Article 46 empowers the State to promote with special care, the educational and economic interests of the weaker sections of the people and particularly SCs. It also promises to protect them from social injustice and all forms of exploitation. Article 275(1) promises grant-in-aid for the promotion and welfare of STs.

### **2.3.8 Official Language Commission**

The Constitution makes a provision for setting up of a Commission on Official Languages. The President of India was empowered to appoint such a Commission, five years after the commencement of the Constitution and thereafter at the expiration of ten years from such commencement. The Commission is composed of a Chairman and such members representing the different languages specified in the Eighth Schedule. The President appoints the Chairman and members.

The Official Language Commission exercises the following functions. The Commission is to recommend to the President:

- The progress of the use of the Hindi language for the official purposes of the Union.
- The restriction on the use of the English language for all or any of the Official purposes of the Union.
- The form of numerals to be used for any one or more specified purposes of the Union.

- Any other matter referred to the Commission by the President as regards the Official language of the Union and the language for the Commission between the Union and a State or between one State and another and their use.

The recommendations of the Commission are examined by another Constitutional authority called the Committee of Parliament to Examine the Report of the Language Commission. After having considered the report, the President issues directions in accordance with the whole or any part of that report.

### **2.3.9 Commission for Linguistic Minorities**

Article 350B of the Constitution, incorporated in 1956, provides: “There shall be a Special officer for Linguistic Minorities to be appointed by the President”. The Special Officer investigates all matters relating to the safeguards provided for linguistic minorities under the Constitution and reports to the President upon such matters at such intervals as the President may direct.

### **2.3.10 Administrative Tribunals**

The Constitution was amended in 1976 to provide for the establishment of administrative tribunals to adjudicate disputes and complaints with respect to recruitment and conditions of service of public personnel. The Central Administrative Tribunal was first set up in 1985. Its functions are to resolve the disputes concerning recruitment and conditions of service of members of the all-India services and central services. The Central Administrative Tribunal is a multi-member body having membership drawn from both judicial and administrative backgrounds.

### **2.3.11 Civil Services**

The Constitution of India provides for the all-India cadre of civil services. There are three types of All-India Services namely Indian Administrative Service, Indian Police Service, and Indian Forest Service. The officers of the services are recruited on an all-India basis with common qualifications and uniform scales of pay. The Constitution also authorises the Parliament to regulate by law the recruitment and the conditions of services of persons appointed to the services. Like other federal polities, the centre and the constituent states, under the Indian Constitution have their separate public services to administer their respective matters. There are central services to administer union subjects such as defence, income tax, railways etc. The officers of these services are exclusively with the union government. Similarly states have their own separate and independent services.

The role of civil services has been changing in modern times. Denhardt and Denhardt (2000) rightly said that “bureaucrats have to be stewards of public resources, conservators of public organizations, facilitators of citizenship and democratic dialogue, catalysts for community engagement and at the same time street level leaders”. The governance trend today involves network management and interactive policy making where multiple societal actors like private, non-governmental and voluntary organisations, individuals, the community, self-help groups etc., are involved in the formulation of policies. In such a scenario, the bureaucrats must bring these players to the table, facilitate, and negotiate decisions and creates a sense of shared interests and responsibilities (Mathew, 2003). Therefore, in these situations civil servants play multifaceted roles – a leadership, coordinating and steering to deal with complex situations.

## Check Your Progress 1

**Note:** (i) Use the space given below for your answers.

(ii) Check your answers with those given at the end of the Unit.

1. What are the functions of Comptroller and Auditor general?

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2. Explain the functions of Finance Commission.

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## 2.4 OTHER IMPORTANT COMMISSIONS

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In addition to Constitutional authorities and commissions, which we have discussed in the preceding section, there are other important commissions, which are not constitutional. They have been created by Act of Parliament. We shall be discussing three of those commissions below:

### 2.4.1 National Commission for Women

The National Commission for Women Act, 1990, established the National Commission for Women (NCW) on 31<sup>st</sup> January 1992. NCW is a statutory body of the Government of India, generally concerned with advising the government on all policy matters affecting women. The objective of the NCW is to represent the rights of women in India and to provide a voice for their issues and concerns. The mandate of this body includes:

- Review the Constitutional and legal safeguards for women.
- Recommend remedial legislative measures.
- Facilitate redressal of grievances.
- Advise the government on all policy matters affecting women.

It is an all women Commission that has six members including a member-secretary and a chairperson. It undertakes the examination of legal safeguards for women under the Constitution and other laws and makes recommendations for their effective implementation. It inspects jails, remand homes, etc., where women are kept under custody and suggests remedial action. Besides, it advises on the planning process of socio-economic development of women and evaluates the progress made.

The commission processes the complaints received verbally or in writing. It also considers *suo moto* notice of cases related to women.

## 2.4.2 National Commission for Backward Classes

Indian Parliament had passed the National Commission for Backward Classes Act in 1993 to set up a permanent body at the centre to entertain, examine and recommend upon requests for inclusion and complaints of over-inclusion and under-inclusion in the list of other backward classes (OBCs) in accordance with the directions of the Supreme Court. The National Commission for Backward Classes has been in existence since August 1993. It got constitutional status through the 123<sup>rd</sup> constitutional amendment bill 2018 under the provisions of Article 338B of Indian Constitution. The Commission consists of one chairman and five members with the term of three years.

The Commission is vested with the responsibility of considering inclusions and exclusions from the list of communities notified as backward for the purpose of job reservations. The Commission provides needful advice to the central government on the issues related to the backward classes and the Commission has the powers of a civil court.

## 2.4.3 National Human Rights Commission and State Human Rights Commissions

Human rights are basic to a human being's existence, which allows him/her the freedom to lead a dignified and secure life of her/his choice. These include civil, political, economic, social, and cultural rights. The Indian Constitution ensures protection of human rights wherein under Article 32, the individual has the right to move the Supreme Court for the enforcement of an individual's human rights. In 1993, the World Conference on Human Rights at Vienna, reaffirmed that it is the duty of all states, regardless of their political, economic, and cultural systems to promote and protect all human rights and fundamental freedom. In tune with this, in 1993, the Indian government passed the Human Rights Protection Act.

The central government had set up the National Human Rights Commission (NHRC) on 12<sup>th</sup> October 1993 as a statutory public body to protect the human rights Act of 1993. The NHRC has eight members, a chairperson (a former chief justice of India), a present or former judge of the Supreme Court, a present or former chief justice of a High Court, two members from among those knowledgeable in human rights, and the chairpersons of the National Commission for Women, National Commission for SCs and STs, and the National Commission on Minorities. There is a Secretary General who shall be the Chief Executive Officer of the Commission and shall exercise such powers and discharge such functions as delegated from time to time.

As per the act, the following functions shall be performed by the NHRC:

- Inquire, suo moto or on a petition presented to it by a victim or any person on his behalf, into complaint of violation of human rights or abetment thereof.
- Negligence in the prevention of such violation, by a public servant;
- Intervene in any proceeding involving any allegation of violation of human rights pending before a court with the approval of such court;
- Visit, under intimation to the State Government, any jail or any other institution under the control of the State Government, where persons are detained or lodged for purposes of treatment, reformation or protection to study the living conditions of the inmates and make recommendations thereon.

- Review the safeguards provided by or under the Constitution of India or any law for the time being in force for the protection of human rights and recommend measures for their effective implementation;
- Review the factors, including acts of terrorism that inhibit the enjoyment of human rights and recommend appropriate remedial measures;
- Study treaties and other international instruments on human rights and make recommendations for their effective implementation ;
- Spread human rights literacy among various sections of society and promote awareness of the safeguards available for the protection of these rights through publications, media, seminars and other available means ;
- Encourage the efforts of non-governmental organisations and institutions working in the field of human rights; and
- Such other functions as it may consider necessary for the protection of human rights in India.

A state government may constitute a body known as the State Human Rights Commission (SHRC) to exercise the powers conferred upon, and to perform the functions assigned to the state commission. At present, 25 states have constituted State Human Rights Commissions.

All the Constitutional commissions and authorities share a few common characteristics mentioned below:

- The President of India appoints the members.
- Many of these functionaries and bodies are placed under an obligation to send their reports to the Government. The reports are required to be laid before each House of Parliament or before the state legislature as the case may be. However, it is to be noted that functionaries like the Attorney-General of India, the Election Commission, the Advocate-General for the state, do not submit any report on their activities.
- The Constitution has itself prescribed the procedure for removal of members.
- This procedure has been made deliberately difficult so that it cannot be used frivolously.

### **Check your Progress 2**

**Note:** (i) Use the space given below for your answers.

(ii) Check your answers with those given at the end of the Unit.

1. What are the functions of National Commission for Women?

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2. List the common characteristics of Constitutional Commissions and authorities.

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## 2.5 CONCLUSION

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Constitutionalism is one of the most important landmarks in the governance of post-independent India. The liberal democratic Constitution of India as the basic law of the land has made specific provisions to secure for the citizens of the country, social, political, and economic justice, liberty, equality, dignity of individuals, and to ensure unity and integrity of the nation. To achieve these constitutional objectives, the Constitution itself has created some important authorities and Commissions. The Constitutional provisions and the authorities and commissions determine the scope and activities of the public systems, and public systems management in India has to operate within the constitutional framework and on the basis of the principles enshrined in the Constitution.

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## 2.6 GLOSSARY

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- Consolidated Fund of India** : It is the fund which consists of all revenues received by the government, loans raised by it and receipts from recoveries of loans granted by it. All government expenditure is incurred from the Consolidated Fund and no amount can be withdrawn from the fund without authorisation from the Parliament.
- Contingency Fund** : It is utilised to meet urgent unforeseen expenditure pending authorisation from the Parliament. Any expenditure incurred from the fund, when the Parliament is not in session, is obtained subsequently and the amount spent from the fund is recouped.
- Judicial Review** : It implies the power of the judiciary i.e. courts to examine the legality and constitutionality of administrative acts of officials, executive orders and legislative enactments. It is a method of exercising judicial control. Judicial review is subject to constitutional provisions and respective acts that deal with administrative decisions in particular matters.
- Public Account** : It comprises money from other transactions of the government such as Provident Fund, small savings collections, other deposits etc.

: This model is generally identified with British form of government. Its key characteristics include parliamentary sovereignty, accountability through free and fair elections, strong cabinet government, collective responsibility, central government dominance, ministerial responsibility, and neutral civil service.

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## 2.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

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### Check Your Progress 1

1) Your answer should include the following points:

The functions of Comptroller and Auditor general of India include:

- Audit all transactions of union and states relating to contingency fund and public account;
- Audit all trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts kept in any department of the union or of a state, and to report on the expenditure, transactions, or accounts to be audited in each case;

- Audit receipts and expenditure of bodies or authorities substantially financed from union or state revenues; and
- Audit accounts of any other bodies or authorities by request.

2) Your answer should include the following points:

The functions of Finance Commission include recommending to the President:

- Basis for distribution of the net proceeds of taxes between the centre and the states.
- Principles that should govern the grants-in-aid to be extended to the states out of the Consolidated Fund of India.
- Amounts to be paid to the states of Assam, Bihar, Orissa, and West Bengal in lieu of the assignment of system of export duty on jute products.

### Check Your Progress 2

1) Your answer should include the following points:

The functions of National Commission for Women include:

- Review the Constitutional and legal safeguards for women and implementation.
- Recommend remedial legislative measures.
- Facilitate redressal of grievances.
- Advise the government on all policy measures affecting women.

2) Your answer should include the following points:

- The appointment of members of the Constitutional authorities and commissions is done by President of India.
- The reports of many of these authorities, functionaries, and commissions, barring a few are to be laid before the Parliament or State legislature as the case may be.
- The Constitution lays down the procedure for removal of the members.



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## **UNIT 3 PUBLIC SYSTEMS MANAGEMENT: POLITICAL AND SOCIO-ECONOMIC CONTEXT\***

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### **Structure**

- 3.0 Objectives
- 3.1 Introduction
- 3.2 Political Context
- 3.3 Social Context
- 3.4 Economic Context
- 3.5 Changing Nature of the State and Economy
- 3.6 Conclusion
- 3.7 Glossary
- 3.8 References
- 3.9 Answers to Check Your Progress Exercises

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### **3.0 OBJECTIVES**

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After reading this Unit, you should be able to:

- Comprehend the dynamic nature of political, social, and economic environment of public systems management in India; and
- Discuss the public systems management in the context of changing nature of the State and economy.

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### **3.1 INTRODUCTION**

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The public systems management of a country is embedded in its prevailing political social and economic situation. It is essential, in this context, to understand the dynamic nature and role of the State functioning within the framework of a Constitution.

The development practitioners are increasingly aware of the role that social and political structures play in shaping the countries' development outcomes. Failure to anticipate political and institutional challenges is a chief cause of unsuccessful policy reform processes. Therefore, there is a need for sound analysis of a country's political, socio-economic context. This analysis is valuable for planned development interventions and policy dialogue. In this unit, an attempt is made to discuss public systems management in the context of prevailing political, socio and economic environment with special reference to India.

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### **3.2 POLITICAL CONTEXT**

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The public systems – the bureaucracy, parastatal bodies, local government institutions and other bodies functioning in public interest – are all managed within the broader

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\*Contributed by Dr.Ch. C.Prasad, Assistant Director, Dr. B. R. Ambedkar Open University, Hyderabad

framework of a political system. It is, therefore, natural that the changes in political environment affect the public systems management of a country.

After independence, India adopted Parliamentary form of democracy as an institutional model of governance. In this system of governance, the executive is responsible to the legislature. Another important feature of the Indian political system is federalism. Although, the word 'federation' is nowhere mentioned in the Constitution, all the structural features of a federal government are present and operative in India.

The Indian system of government has a combination of two classical models: the British tradition of parliamentary sovereignty and conventions and the American principles of supremacy of a written Constitution, and the judicial review. India has thus a parliamentary federalism based on both parliamentary practices and federal principles.

The liberal democratic federal State of India has endeavored to develop the country through efficient management of the public systems. The major political developments of the last eight decades can be summed up as : (a) loosening of centralism and corresponding growth of regional power – more assertive states demanding increasing autonomy in terms of powers and resources and favouring 'real' federalisation of the political system (b) gradual dismantling of a long-practiced single-party dominance system (c) rise of plethora of regional parties creating in the process more and more pressures on the centre from the periphery (d) fragmentation of the Indian party system relying on different kinds of loyalties such as personal, caste and ethnicity, and regional interests (e) coalition politics both at the centre and the states with its consequent bargaining culture and fluidity of inter-party relationships . At the same time, on the positive side, there has been a broadening of the political base by bringing in the 'gender' dimension (increasing women's participation at the local level), by 'empowering' the poor and the socially marginalised, giving voice to citizens and so on.

The coalition or minority politics owing to the plurality of Indian society and regional diversities resulting into multi-party system has come to stay in the political governance of India. As a result, smaller parties and regional parties are playing a significant role in governance. Due to compulsions of circumstances arising out of coalition politics, the constituent states do not remain mere instruments of the Union.

India's political – administrative structure has undergone tremendous changes to adapt to changing circumstances such as liberalisation, privatisation, and globalisation. The Parliament continues to remain supreme though the constituent states have become more powerful than before. Under the changed circumstances, there is a clear shift of emphasis from the Westminster model to federal traditions. Federalism has generated pressure for decentralisation of powers and functions of governments from national to lower levels paving the way for competitive federalism on the one hand and for intergovernmental cooperation to regulate or resolve conflicts and externalities that such competition creates on the other. The 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts of 1992 illustrate this trend.

The expansion of political participation in the last two decades has placed the disadvantaged and marginalised groups at the centre of the political system and at all levels of governance. The processes and strategies of political empowerment of disadvantaged groups are also showing impact on the political environment of the country.

Another significant phenomenon that has considerable relevance for the present discussion is a steady erosion of bureaucratic professionalism especially at the higher

levels. Politicisation of bureaucracy is responsible for this to a great extent. What is of utmost concern is the increasing politicisation of the bureaucracy – almost a regular trend towards bureaucracy-politician nexus many a times resulting in promotion of private interests than public interest. The role of political and permanent executives in the governance process needs to be clearly redefined. The political executive, no doubt, enjoys supremacy in the democracy, but it must be within certain boundaries along with requisite autonomy to the civil service. The power struggle between the rising social classes and the Indian State has resulted in weakening of the latter. The political complexion of the State has changed from 2019 general elections that after prolonged coalition era, people voted to a single largest national party into power at the centre. But this situation has created another problem in the country that is encroachment of central government in the State domain at times resulting in strained central state relations. There is criticism levelled that central government has been taking unilateral decisions such as demonetisation, introduction of Goods and Services Tax (GST) etc., and imposing pressure on state's economy.

Public systems management should adapt to the dynamics of the political system within which it functions. It has additionally to reorient itself to cope with the forces of globalisation and international competition. The Indian politico-administrative system, which is based on democratic participation, federal arrangements of governance, social accommodation need to respond positively both to domestic demands and the needs of a globalising world.

- **Roll back of the State**

The New Right or Neo-liberal perspective is a strong advocate of the retreat of the State. The most conspicuous impact of this perspective could be seen on public administration in the form of revival of “Managerialism”. The new public management has condemned the traditional public administration as a failure. The changing nature of the State has also impacted the complexion of public administration.

The State has the authority to frame laws for the purpose of governance. Traditionally governance has stood for the forms of political system and the way power is exercised in utilising country's economic and social resources for development. It also deals with the capacity of government to design, formulate and implement policies, and to discharge governmental functions.

Indian democracy has been facing challenges since 1990s due to the emergence of a new phase in Indian politics. The challenges of globalisation and economic reforms on the one hand, and identity politics on the other, have tended to exert contrary pressures on the State, pulling it in opposite directions. The economic reforms envisage a gradual curtailment of the role of the State, whereas the identity politics seek to reinvent the State altogether, to give it a renewed primacy as an agent of radical social reforms. As a result, the Indian State, and the modes of governance in the country are undergoing a marked change.

Presently, the State and existing modes of governance in India are facing challenges from two sources: One, the process of globalisation and its domestic face-economic reforms leading to liberalisation and loosening of the grip of the State on the economy and two, the emergence of a new discourse of civil society evident in the increasing role played by the non-governmental organisations, community-based organisations, and even spontaneous grassroots people's movements aspiring to take on many of the developmental functions which had until this time been in the domain of the State.

Since the early 1980s, two different kinds of orientations in social and political ideology have been noticed throughout the world. On one side, there is pressure for rolling back the State for achieving economic efficiency and on the other, there are increasing demands for greater social and political action to empower the socio-economically vulnerable marginalised sections of society and to protect their interests.

The last two decades have witnessed the transformation of economies from command to market-orientation. It has brought the notion that the traditional State model has failed to evolve and implement effective policies, programmes, and services to the satisfaction of citizens. The response, therefore, has been in terms of a series of reforms that have been initiated and directed towards bringing about a change in the organisation and management of the public systems and institutions. Improvement in the quality of services being provided, maintaining efficiency, and curbing public expenditure have been the key guiding factors in the reform process. Concepts such as efficacy of State vs. market, increasing managerial orientation in governmental activities and promotion of privatisation as a panacea for several administrative problems have gained popularity in public systems management.

In India, effective governance in days to come is likely to take shape in the form of a joint endeavour of the government organisations, NGOs, civil society, private sector, and other institutions. The recent years have seen an increasing tendency for the governments to involve civil society organisations in implementation of certain developmental programmes. This does not necessarily imply a rolling back of the State. Rather the State now draws upon the expertise offered by NGOs as public service contractors. The main role of the redefined State should be sustainable human development in collaboration with civil society, and the market. It is to be observed that the role of State has not ended in the new liberal political environment; only its nature seems to be changing. Government is the action part of the State. The trend now in India is democratising administration and making it more and more society-centric and citizen-friendly.

- **Role of Regulatory State**

The notion of regulatory state implies that the State's role is shifting from positive intervention to arms-length regulation and arbitration. The State's role in economic activity can be broadly classified into that of Producer-State, i.e., producer of commercial goods and services; Regulatory-State, involving setting and enforcing of rules that govern, encourage, or discourage economic activities of market participants; Facilitator-State, involving provision of public goods such as police, judiciary, street lighting; and Welfare State, ensuring provision of a wide variety of merit goods such as education and health.

While there were attempts to reduce the role of State as a 'producer', correspondingly, there has been deregulation in some and expansion of State in other areas as a regulator. Dismantling of industrial licensing and liberalisation of trade are the best examples of retreat of a regulatory State. But, in many other areas, there has been expansion. For example, in telecommunication, in the areas of ports and electricity, national level regulatory authorities under appropriate statutes have been established. Similar initiatives are being considered in some other sectors also. The regulatory authorities are expected to exercise independence from the ministries, or a public or private enterprise concerned and provide a framework for entry and operating conditions, especially tariff, in a way that would ensure assurances and protections to investors and consumers, whose

interests often conflict in a monopoly like situation. The government's role is to ensure competition and necessary social protection.

In the post-1990 era of global economic liberalisation, India decided to allow the private sector to supply and improve the efficiency of quite a few services that had earlier been in the public sector. To minimise government involvement, de-politicise decision making, bring in technical expertise, regulatory bodies are formed in different sectors, viz telecommunications, finance, infrastructure, etc. Some of them include, Insurance Regulatory and Development Authority (IRDA), Securities and Exchange Board of India (SEBI), Telecom Regulatory Authority and so on. These institutions are entrusted with wide- ranging duties and powers related to the provision of infrastructure facilities and services to all citizens. The objective of regulatory framework is to avoid unhealthy competition and to ensure reasonable price of services and products to the citizens. The regulatory bodies have an important task to create suitable conditions for public-private partnership besides attracting additional financial resources for economic growth.

The regulatory framework needs to provide a level- playing field to all stakeholders and efficient services at low cost to consumers. The main objective is to generate public confidence in the regulatory process. The regulators are required to function in quasi judicial, impartial, and transparent manner. Therefore, a sensible and well-functioning regulatory mechanism with prudent norms is the need of the hour.

- **Rise of New Managerialism and Competitive Environment**

Beginning 1980s and till date we are witnessing the emergence of a new managerial approach in public administration in response to the inadequacies of the traditional public administration mode. The New Public Management (NPM) philosophy that has emerged favours more market-driven development than state or government-driven development. It advocated lean and more performance-oriented government through 'downsizing' and 'privatisation' of many of the government functions. The market can work more flexibly and cost-effectively, hence, government should reorient itself as an 'enabler' rather than a 'doer'.

The managerial approach argues that instead of regulating administrative action by rules and hierarchical authority, the countries need to follow two broad approaches for the improvement of public systems efficiency. The first is to enhance the performance of public systems and second to make a greater use of information technology in public service delivery. The main elements involved in the managerial approach are:

- i) Improving human resources including performance pay
- ii) Involving staff in decision-making
- iii) Relaxing controls, but imposing performance targets
- iv) Using information technology
- v) Providing service to clients
- vi) Imposing user charges
- vii) Contracting out; and
- viii) Deregulating monopolies.

In contemporary times, governments have reinvented the administration making them more entrepreneurial, and business oriented. This requires discarding obsolete initiatives, willingness to do more with less and eagerness to absorb new ideas. Governments ought to become 'competitive' in character, accepting willingly competition with the private sector and among government agencies. The reforms in India are intended for encouraging competition in public systems, increasing the level of performance, and minimising costs. Efficiency of public sector has become the key issue in the reforms discourse. Injecting competition into service delivery to bring about change through market-based incentives is a strategy to improve the efficiency of public systems.

In India, a wide range of changes have been initiated in the direction of increasing space for private sector and market mechanisms. Significant responsibilities which hitherto lay in State jurisdiction have been transferred to private or non-governmental sectors to inject competition in public service delivery. The third world countries including India, have introduced managerial reforms, as a part of aid conditionalities imposed by the World Bank and the International Monetary Fund.

The Structural Adjustment and Stabilisation Programme in India in 1991 aimed at reduced budgetary support to public sector enterprises, disinvestment, corporatisation and outsourcing of certain activities, with the government concentrating on core activities. There has also been the introduction of user charges, and reduction of subsidies to public services like health and education. To provide responsive and citizen-friendly administration, attempts have been made to introduce citizens' charters, strengthen redressal grievance machinery, and initiate e-governance measures in various public service delivery mechanisms. We shall be discussing in detail about the various initiatives in e-governance in Unit 8 of this Course. In this context, the managers of public systems need to be receptive to competition and be open-minded to meet their performance targets.

Empowering consumers rather than serving them is the objective of market-centered reforms. The reforms should bring efficiency and effectiveness among public systems and make them people-centric, decentralised, and participatory and development-oriented.

- **Citizens' Rights**

The first component relates to managerial approach that aims at delivery of high-quality services that citizens value. The fundamental requirement of public systems is citizens' orientation. It involves adherence to declared standards of performance, sharing of information, openness, and a system of providing choice and consultation to the citizens. In simple terms, greater transparency in various aspects of public systems management is the need of the hour.

In democratic governance, people are expected to participate in governmental process. Access to information is a precondition for effective peoples' participation. In India, steps such as legislation on Right to Information, introduction of citizens' charter, strengthening of existing grievance redressal machinery at all levels, empowering citizens especially the weaker sections, closer interaction of citizens' groups, consumer associations and local social groups have already been ensured to enable the identification of problems and ensure prompt action. Thus, in India a consensus has emerged on achieving the goals of accountability, right to information and improved performance and public systems integrity. The last decade has seen a great deal of activity over Right to Information (RTI). The central and state governments in India

have enacted RTI legislations to bring transparency and responsiveness in administration. There is a detailed discussion on this in Unit 14 of this Course.

The citizens' charter programme was initiated in 1991 to make the services offered by the various public systems responsive to the needs of the users. The central and state governments have commenced a phased introduction of citizens' charters in various ministries and their attached and subordinate offices to draw, publish and work towards clear set of service standards. In addition, public systems have been taking measures such as setting up of customer care centers to provide information, establishing computerised web-based multi-utility centers and a wide variety of services to citizens pertaining to payment of bills, filing of returns, downloading and submission of applications etc., to make service delivery efficient, accountable, and citizen-friendly. In an era of managerial governance, empowering the citizens assumes crucial significance.

The strength of the Indian State lies in overall democratic framework, civil liberties, the federal structure, the independent judiciary, organisational diversity of public, private, cooperative, voluntary associational, institutional, and other non-governmental actors, which have not only stood the test of time, but also provide continuity with the past and a sound platform for future revitalisation.

### **Check Your Progress 1**

**Note:** i) Use the space given below for your answers.

ii) Check your answers with those given at the end of the Unit.

1. Identify the elements of managerial approach in public administration.

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2. Explain the functions of regulatory agencies.

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## **3.3 SOCIAL CONTEXT**

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A comprehensive knowledge of the socio-economic context of a country is necessary to understand the functioning of its public systems. For the creation of an effective public systems management and to maintain its operational efficiency, one must know the socio-cultural and economic environment in which the public systems exist. So far as India's public management system is concerned, it is necessary to examine the country's socio-economic factors that set the background and profoundly influence the structure and operation of the management system.

A country's political life, Constitutional laws, and administrative rules and regulations are greatly influenced by its societal traditions, culture, and values. In the Indian situation, public systems management needs thus to be related to India's societal context with special reference to the roles of religion, caste, women, family, and rural-urban interface.

- **Religion**

India is a country of continental dimensions. It has a multi-ethnic society. It believes in the principle of unity in diversity. Equal respect for all religions is a positive aspect of Indian society. Occasional eruption of communal disharmony tests the strength of the public systems in maintaining law and order and social harmony among the religious groups.

- **Caste**

India has historically evolved as a pluralistic society vertically clustered into myriad castes and sub-castes. Caste system is the most important feature of Indian social life. Caste regulates the social behaviour of the people. It has been a dominant factor in Indian society from centuries. After independence, this factor has assumed an important political role, in many states, it has permeated politics and elections, formation of political parties, and even public appointments and general administrative affairs.

The managers of public systems are exposed to forces drawing sustenance from caste, community, religion, language etc. Most recent studies on caste look at it as a dynamic force, which though weakened over the past decades of development experience in certain respects, has grown stronger in some others. The forms of its manifestation have indeed changed. Today caste is talked about not so much as an aspect of socio-cultural life as in terms of the politico-administrative context.

- **Language**

India is characterised by language diversity. It is varied with over 1600 languages and dialects. Three fourths of the population in India speaks languages which descend from Sanskrit. The Eighth Schedule of the Indian Constitution provides for 22 languages. Linguistic diversity in India has far reaching political repercussions in the formation of different states and emergence of political parties.

- **Joint Family System**

In all societies, family is the basic unit. Joint family system was one of the pillars of the Indian social structure. The characteristics of the joint family system have an impact on the public systems also. The primordial loyalties of joint family system pose a challenge to the impartial working of the public systems. At the same time, the culture of sharing and caring in a joint family system does have beneficial effect on the collective functioning of an organisation.

- **Women**

Women have been an integral part of the socio-economic development of the society. They have been demanding their empowerment and for more opportunities for independent functioning. It is the responsibility of the State to provide economic independence to women by providing equal opportunities in public employment. The percentage of women employment is not in proportion to their population. The State and its governance structure must play a key role to create conducive environment towards the all-round development of women.



In the recent past, there has been an increasing involvement of women in governance, and they are occupying various key positions in the management of public systems. The capabilities, inherent talents and capacities of women are contributing much to improve the efficiency of public systems. Female participation in work force and in government development programmes has been increasing over the years calling for administrative challenges in compensation, welfare policies and other related issues. In the context of 'engendering' development, there is involvement of more and more women in development activities. Since women represents more than fifty percent of total India population, the country's development to a considerable extent depends on the betterment of women's socio-economic conditions and status. In addition to various Constitutional provisions, many policies and programmes have been launched from time to time for the benefit of women. The enactment of Domestic Violence Act 2005, Muslim women (Protection of Rights on Marriage) Act, 2019 to protect the marriage rights of Muslim women are landmarks in this direction. There is a demand for thirty three percent reservation for women in Lok Sabha. There is pressure to reach a consensus on this among all political parties.

- **Rural-Urban Interface**

In India not only the rural-urban distinction, but also rural-urban dualism persists. There are sharp regional variations in the levels of socio-economic development. The importance of purposeful relationships between the rural hinterland and the urban areas need hardly any emphasis. The action, reaction and the interaction of the rural-urban communities can be identified at the social, economic, and administrative levels.

The impact of technology and tremendous advances in communication has made the distance between the rural and urban areas very much narrower. The contact between the town and the village is increasing. The rural-urban interface is being given a new meaning and shape by the increasing back and forth flows of capital, labour, people, information, technology and so on. There is a zone of interdependence, in present times, not a clear boundary that separates rural from urban areas. It is necessary now to weave together and integrate the development of both urban and rural areas.

The expansion in governmental programmes in India in the last few decades can be traced to the handling of new social issues relating to growing urbanisation, social, welfare considerations, and social structural changes and so on. The problems of caring for the aged, people with disabilities, is being taken care of by the government agencies. There are new government programmes for elderly and vulnerable groups.

Rural development and social development with emphasis on health, nutrition and education, industrial development and most development activities have been the responsibility of the State, resulting in considerable administrative expansion. As society progresses, the processes of societal change throw up new challenges that widen the scope of public systems management.

The relationship between administration and society has never remained static. The emergence of new social situations has always impacted on administration. The issues like prevention and abolition of child labour, untouchability and bonded labour and other obnoxious social practices are increasingly claiming administrative action resulting in the widening of the scope of public administration in India. Another new development is a major ongoing effort to create conditions to bring about a more 'inclusive' public administration, as against an 'exclusive' one. It means, widespread concern now to make government more decentralised, participative, gender-sensitive and to the needs of socially marginalised. The trend seems towards closer state-society synergy to attain

more effective and real democracy. Social participation is one of the strongest measures to cope with socio-economic and political issues.

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### 3.4 ECONOMIC CONTEXT

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The economic factors affect the nature, organisation and functioning of public systems. The economic life of a country is regulated by its legal and administrative system. Economic factors and public system act and react on each other. The economic features are country specific and historic in nature.

Historically speaking, India has always been predominantly an agrarian society. Even today majority of the population is dependent on agriculture. Despite considerable economic growth through planned development, factors such as poverty, unemployment, scarcity of resources continue to bedevil the Indian economy. The rapidly growing population has partly wiped out the economic gains achieved by the planning process. The following are the broad features of economic system in India within which the public systems operate.

- **Agriculture-based Economy**

The share of agriculture in national income is often taken as an indicator of economic development. In fact, development of agriculture is a vital pre-condition of sectoral diversification and hence of development itself.

India lives in its villages. A large section of the population lives on land and agriculture. India's economy is mainly agricultural dominated by small-scale peasant production. To a large extent, it depends on rainfall, favorable climatic conditions and some irrigational facilities that are being augmented on planned basis.

Agriculture has always been backbone for Indian economy. The conditions of agriculturists in the country have been impacted due to globalisation. The farmers failed to get remunerative prices for their produce. Farmers suicides have been increasing despite subsidies and support system extending by the governments to the farming community. The recent farmers protests have been raising these concerns and other related to it in a vociferous manner. Agriculture needs to be recognised as industry and farmers are to be oriented about going in for a mix of cultivation of traditional crops and commercial crops in the changing scenario.

Indian agriculture has been the source of supply of raw materials to many leading industries. In recent years, the importance of food processing industries is being increasingly recognised both for generation of income and employment.

- **Poverty**

Poverty can be defined as a state or condition in which a community or person lacks the financial resources and essentials for a minimum standard of living, a phenomenon in which a section of people is unable to meet even the necessities of life. The Human Development Index Report 2020 ranked India at the 131th position out of a total of 189 countries. In 2019, it is indicated that 6.7 per cent of India's population is below poverty level. The Sustainable Development Goals have indicated ending poverty as one of the goals of 2030 agenda. India has embarked upon several programmes to target rural poverty as its prevalence is high in rural areas. These encompass wage employment, self-employment, food security, social security programmes.

- **Unemployment**

Most of the unemployment in India is structural in nature. The number of people coming to the labour market in search of jobs has also increased rapidly, whereas employment opportunities did not rise correspondingly due to slow economic growth. Hence, there has been an increase in the volume of unemployment from one plan period to another. It is observed that there is no integration between human resource development and manpower planning in the country. As a result, there is a mismatch of available jobs and job seekers. Therefore, skill development programmes and training activities are being undertaken on a massive scale to provide employability skills to unemployed youth to combat growing unemployment in the country. The National Skill Development Corporation (NSDC) is a not-for-profit company set up under public-private partnership (PPP) initiative under Ministry Of Skill Development and Entrepreneurship. It aims to promote skill development by catalysing the creation of quality vocational institutions. Also provides funding for vocational training initiatives. The covid-19 pandemic situation globally has resulted in loss of jobs and livelihoods resulting in unemployment.

- **Industrial Policy Resolution**

The concept of “industrial policy” is comprehensive as it covers all those procedures, principles, policies, rules, and regulations, which guide the industrial undertakings of a country and shape the pattern of industrialisation. It incorporates fiscal and monetary policies, tariff policy, labour policy and reflects the governments’ attitude not only towards external assistance but also public and private sectors.

The Industrial Policy Resolution of 1948 contemplated a mixed economy, reserving a sphere for the private sector and another for the public sector. The government started liberalising the Industrial policy in 1970s and 1980s. The most drastic liberalisation was carried out in 1991, when a new industrial policy was announced. The main aim of the new policy has been to unshackle the Indian industrial economy from the cobwebs of unnecessary bureaucratic control and to introduce liberalisation with a view to integrating the Indian economy with the world economy, removing restrictions on foreign direct investment as also freeing the domestic entrepreneurs from the restrictions of monopolies and restricted trade practices.

The basic objectives of industrial policy resolutions are to achieve rapid industrialisation, balanced development of different regions, prevention of concentration of wealth, expansion of cottage, village, and small-scale industries.

- **Private Sector Participation**

In the economic sphere, the State is to direct its policy to secure a better a distribution of ownership and control of the material resources of the community to prevent concentration of wealth in the hands of a few. India had the mixed economy system in which private and public sectors co-existed with clear demarcation of spheres of activity. The predominant role assigned to the State consequently led to phenomenal expansion of the administrative system, which is expected to attend to manifold functions being shouldered by the public sector.

The recent decades have seen an increasing trend towards a reduced role for the State in all countries. In India also, the role of the government in economic development has shifted to giving more space to the private sector. The fact is that role of the government has become basically promotional. The expansion of market concepts in the public

sector is taking place to limit the expanding public administrative system. These concepts include privatisation, downsizing of bureaucracy, entrepreneurialism, reinvention, enterprise operation, quality management and customer service.

- **Corruption**

Public bureaucracy in India has been considered to be steadily losing the trust and confidence of common citizens. The considerable discriminatory authority vested in the bureaucracy paves the way for corruption and political interference.

In general, corruption flourishes because of two elements prevalent in our culture of governance. The first is the lack of transparency in administration. The second element is delay in the provision of services. Third, is absence of clear-cut accountability. Therefore, public systems must be re-oriented to use information technology extensively to bring in transparency and to mount and attack on red tape and delay in service delivery.

The traditional model of administration in public systems is normally assigned multiple and conflicting tasks. The provision of public services, irrespective of citizens' satisfaction, has been the aim of the traditional model. In contrast, the new public management practices based on administrative reforms have placed the citizen at the centre of public service management. Therefore, today's public systems must be flexible, consultative, outcome-focused, and proactive in encouraging creativity and supporting innovation from the bottom to top.

In the globalisation context, the Indian State is trying to take up the responsibility of facilitating and promoting economic policies that are in consonance with the norms of global free trade, privatisation of public sector, adoption of public-private-participation (PPP) models, tax reforms, environment, and nuclear disarmament related agreements. Despite the accent on minimalist state, the Indian State is repositioning itself to adapt to the changing scenario through right sizing bureaucracy, streamlining public sector, promoting welfare of the disadvantaged, and encouraging efforts towards human rights, social justice, and economic equality.

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### **3.5 CHANGING NATURE OF THE STATE AND ECONOMY**

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There has been a remarkable change in recent years in the State dominated development paradigm. Almost all developing countries have moved towards a more market-determined strategy of development. In India, the market model of governance has been holding the center-stage since the eighties. The changing concept of development, globalisation and the growth of new technologies are the important factors influencing and changing the perception of the role of the state. Under the impact of market-based economy, State is reinvented for maximisation of profits and competition, export-led industrialisation, encouraging foreign investment and technology and shifting away from the earlier concept of State-led development.

In the name of economic liberalisation, some policy changes have taken place to make room for the private sector to enter all sectors of development. Now, development has become a collaborative effort of several institutions and government has sought to lighten its burden selectively by sharing the same with the private players and non-government organisations. Public systems in India must live with these changes and develop participatory work culture for better developmental results.

The State must not withdraw from the basic responsibilities of social welfare programmes relating to food security, job guarantees, health care and education of the deprived and vulnerable masses and the creation of infrastructure. Markets must be made people-friendly in India through effective management of public systems. The need of the hour is radical reorientation of public systems management in India at all levels. They need to be restructured in such a way as to achieve growth with social justice within a democratic political framework in association with multiple role players such as the market and the private sector, the civil society, and the people at large.

### **Check Your Progress Exercise 2**

**Note:** i) Use the space given below for your answers.

ii) Check your answers given at the end of the Unit.

1. What are the main reasons for prevalence of corruption in governance?

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2. Analyse the changing nature of the State in the present context.

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## **3.6 CONCLUSION**

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A close relationship exists between the public system management and the 'environment' within which it operates. Public systems' behaviour is influenced by the values cherished by the society. The political and socio-economic conditions not only influenced the functioning of public systems but also give a new shape to their structure and system of working. The structural and behavioural patterns of public systems, the methods of the recruitment and retention of employees, the reward system, the financial capabilities and management practices, accountability to the public and the overall ethics and philosophy of public systems are under scrutiny today. It is widely acknowledged that the public systems need re-structuring and re-orienting in tune with the changing political socio-economic scenario of the country and its globalised location. The basic traditional norms and values of the public systems such as neutrality, impartiality, accountability responsiveness and equality are undergoing change, and there is a growing realisation today that newer values such as competitiveness, efficiency, quality, productivity, and profitability in the functioning of public systems need to be inducted to enhance the coping ability of the public systems in an increasingly complex era on both domestic and international fronts.

In the changing scenario, public systems need to evolve a collaborative environment for achieving development goals. They must play a major development role in the social sector such as health care, education, and upliftment of the disadvantaged sections

of people. They need to work not only towards productivity and growth but also for social justice and equity. Public systems management must adopt public-private participatory approach for successful achievement of developmental results. They must work towards bringing about a perceptible change in economic development, distributive justice, and social equity.

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### 3.7 GLOSSARY

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- Structural Adjustment and Stabilisation Policy (SA&SP)** : During 1980s and 1990s, a need was felt for bringing about structural changes in many countries to enable market forces play a key role. This comprises the reform measures promoted by IMF, World Bank, US Congress etc., which aimed to address the economic crisis especially by the Latin America countries. This strategy intended to stabilise the economy, through some structural measures in trade, financial areas, through privatisation and deregulation of domestic markets. The reforms aimed at correcting imbalance in the balance of payments, government budgets, money supply, letting markets work etc.
- User Charges** : These are charges imposed for providing services or sale of products in connection with government activities. These are paid by citizens for consumption of goods and services and do not include fees for capital costs. User fees are charged to improve resources allocation in public sector in some countries.
- Transparency** : This implies doing away with secrecy about decision-making and making easy access of information to people relating to government activities except those relating to matters of national security, defence etc.

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### 3.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

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#### Check Your Progress 1

1. Your answer should include the following points:

The main elements of the managerial approach include:

- Improving human resources including performance pay;
- Involving staff in decision-making;
- Relaxing controls but imposing performance targets;
- Using information technology;
- Providing services to clients;
- Imposing user charges;
- Contracting out; and
- Deregulating monopolies.

2. Your answer should include the following points:

The regulatory agencies were created in the areas of telecommunications, insurance, finance etc., with the objective of

- Avoiding unhealthy competition and to ensure reasonable price of services and products to the citizens.
- Provision of infrastructure facilities and services
- Creating suitable conditions for public-private partnership besides attracting additional financial resources for economic growth.
- Providing level-playing field to all the stakeholders.

## Check Your Progress Exercise 2

1. Your answer should include the following points:
  - Lack of transparency in administration
  - Delays in provision of services
  - Absence of clear-cut accountability
2. Your answer should include the following points:
  - Market-determined strategy of development.
  - Reinvention of State for maximisation of profits, competition, encouraging foreign investment and technology.
  - Collaboration between state market and non-government organisations.
  - State not to divest its role of provider of basic social welfare programmes.





