Unit I Introduction

1. Meaning and definition of public administration.

INTRODUCTION

Administration as an activity is as old as society itself. But as an area of study it originated, with the publication of Wilson's essay on study of Administration in 1887. As a process, administration occurs in both public and private organizations. It occurs in such diverse institution as settings as a business firm, labor unions, religious or charitable organizations, educational institutions, etc. Its nature is affected by the sphere with which it is concerned. Administration is commonly divided into two types, Public and Private Administration. As an aspect of government activity it has existed since the emergence of political systems. While public administration relates to the activities carried out by government, private administration refers to the management of private business enterprises.

It is important to understand the functioning of administration for on this lies the understanding of the government. In this Unit an effort has been made to bring the concept of administration, public administration in particular, closer to you. This understanding will take you through the entire course of Public Administration. In what follows, we will examine the meaning, nature and scope of public administration.

WHAT IS ADMINISTRATION?

The word 'administer' is derived from the Latin word **administere**, which means to care for or to look after people, to manage affairs. Administration may be defined as "group activity which involves cooperation and coordination for the purpose of achieving desired goals or objectives".

Broadly speaking, the term administration appears to bear at least four different meanings or different senses depending upon the context in which it is used:

1) As a Discipline: The name of a branch of learning or intellectual discipline as taught and studied in colleges and universities.
2) As a Vocation: Type of work/trade or profession/occupation, especially one that involves knowledge and training in a branch of advance learning.
3) As a Process: The sum total of activities undertaken to implement Public Policy or policies to produce some services or goods.
4) As a Synonym for 'word' Executive or Government: Such other body of persons in supreme charge of affairs, for example, Naredra Modi Administration, Obama Administration, etc.

> ✓ **J.M. Pfiffner and R. Presthus**
> "Administration is the organization and direction of human and material resources to achieve desired ends".
>
> ✓ **L.D. White**
> "The art of administration is the direction, co-ordination and control of many persons to achieve some purpose or objective".
>
> ✓ **Luther Gullick**
> "Administration has to do with getting things done, with the accomplishment of defined objectives".

DEFINING PUBLIC ADMINISTRATION

L.D. White observes that although public administration varies in form and objects, and although the administration of public and private affairs differs at many points, there is an underlying similarity, if not identity. As an integral aspect of such generic concept, public administration could be related to that type of administration, which operates within a specific ecological setting. It is a means to carry out the policy decisions made by political executive.

To be seen along with it is the 'Public' aspect of Public administration, which attributes a special character and focus to it. 'Public' can be looked at formally to mean 'government'. So, public administration is government administration, government in action, or a socio-economic and politico-administrative confluence, the focus being especially on public bureaucracy. Encyclopedia Britannica defines public administration as 'the application of a policy of a state through its government.'

Public Administration, therefore, refers to that part of administration, which pertains to the administrative activities of the government.

Now we will try to look into the definitions of Public Administration provided by various scholars.

Woodrow Wilson
Public administration is the detailed and systematic application of law. Every particular application of law is an act of administration.

L.D. White
Public administration consists of all those operations having for their purpose the fulfillment or enforcement of public policy.

Percy Mc Queen
Public administration is related to the operations of government whether local or central.

Luther Gulick
Public administration is that part of the science of administration, which has to do with the government; it concerns itself primarily with the executive branch where the work of the government is done; though there are obviously problems also in connection with the legislative and judicial branches.

J.M Pfiffner
"Administration consists of getting the work of government done by coordinating the efforts of people so that they can work together to accomplish their set tasks".

M. Ruthanaswami
"When administration has to do with the affairs of a state or minor political institutions like the municipal or country council (district board), it is called public administration. All the acts of the officials of a government, from the peon in a remote office to the head of a state in the capital, constitute public administration."

H.A. Simon, D.W. Smithburg and V.A. Thompson
"By Public Administration is meant, in common usage, the activities of the executive branches of national, state and local governments, government corporations and certain other agencies of a specialized character. Specifically excluded are judicial and legislative agencies within the government and non-governmental administration."

Corson and Harris
"Public administration … is the action part of government, the means by which the purposes and goals of government are realized."

Dwight Waldo
"Public administration is the art and science of management as applied to the affairs of State."

M.E. Dimock
"Public Administration is concerned with 'what' and 'how' of the government. The 'what' is the subject matter, the technical knowledge of a field, which enables the administrator to perform his tasks. The 'how' is the technique of management, the principles according to which co-operative programmes are carried through to success. Each is indispensable, together they form the synthesis called administration".

Frederic k Lane defines administration as organizing and maintaining human and fiscal resources to attain a group's goals.

NATURE OF PUBLIC ADMINISTRATION

There are **two views** regarding the Nature of Public Administration, that is, **Integral and Managerial**.

Public Administration   → Integral
                                       → Managerial
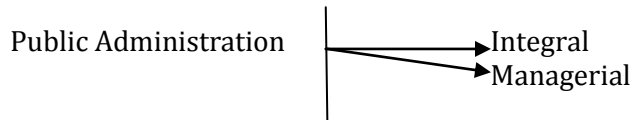
According to the **integral view**, 'administration' is the sum total of all the activities – manual, clerical, managerial, etc., which are undertaken to realize the objectives of the organization . In this view all the acts of officials of the government from the Attendant to the Secretaries to the government and Head of the State constitute Public Administration. Henri Fayol and L.D. White are the supporters of this view.

According to the **managerial view** of administration, the managerial activities of people who are involved in planning, organizing, commanding, coordinating and controlling constitute Public Administration. This view regards administration as getting things done and not doing things. Luther Gullick, Herbert Simon, Smithburg and Thompson are the supporters of this view. The managerial view excludes Public Administration from non-managerial activities such as manual, clerical and technical activities.

The **two views differ from each other in many ways.** According to Prof. M.P. Sharma the difference between the two views is fundamental. The integral view includes the activities of all the persons engaged in administration whereas the managerial view restricts itself only to the activities of the few persons at the top. The integral view depicts all types of activities from manual to managerial, from non-technical to technical whereas the managerial view takes into account only the managerial activities in an organization . Furthermore, administration, according to the integral view would differ from one sphere to another depending upon the subject matter, but whereas that will not be the case according to the managerial point of view because the managerial view is identified with the managerial techniques common to all the fields of administration.

The difference between the two views relates to the difference between management and operation or we may say between getting things done and doing things. The correct meaning of the term administration would however, depend upon the context in which it is used. Dimock, Dimock and Koening sum up in the following words:

"As a study public administration examines every aspect of government's efforts to discharge the laws and to give effect to public policy; as a process, it is all the steps taken between the time an enforcement agency assumes jurisdiction and the last break is placed (but includes also that agency's participation, if any, in the formulation of the programme in the first place); and as a vocation, it is organizing and directing the activities of others in a public agency."
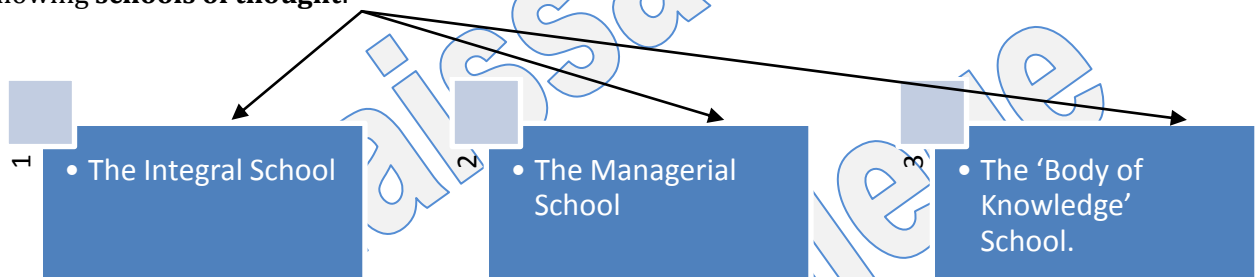
Public Administration is a Science:

> i.   Systematized Mass of Knowledge
> ii.   Some Uniformity and Exactness.
> iii.   Scientific Method of Study

Public Administration is not a Science:

> i.   Want of Exactness
> ii.   No Universal Principles
> iii.   Lack of Predictability
> iv.   Want of Observation and Investigation.
> v.   Based on Moral Values.

SCOPE OF PUBLIC ADMINISTRATION

By the scope of Public Administration, we mean the major concerns of Public Administration as an activity and as a discipline. Public administration is a broad and encompassing area of study; and as a result, one cannot with sense of certainty point up the specific focus and scope of public administration. The field of public administration today transcends government circles and includes other areas, namely, schools, churches, mosques, markets, postal services, transportation, international relations, etc. However, further insight into the scope of public administration can be understood using the following **schools of thought**:

1. • The Integral School
2. • The Managerial School
3. • The 'Body of Knowledge' School.

THE INTEGRAL SCHOOL

To the Integral School, public administration is a sum total of all the activities undertaken in pursuit of and in fulfillment of public policy. These activities include not only managerial and technical but also manual and clerical. The central argument of the integral scholars is that public administration is only concerned with all the activities of government, undertaken whether by one or all of the three arms of government. This argument is reflected in the definition of public administration provided by one of the integral scholars, Leonard White who defined the public administration as consisting of all those operations having to their purpose the fulfilment or enforcement of public policy.[6] Thus, public administration covers the three core activities of organization which include accomplishing goals, maintaining organizational vitality, and defending the organization. The integral view, therefore, shows the vastness and multiplicity of the scope of public administration in any nation state. In Nigeria, for instance, public administration is carried out within different categories of public organization: Federal, State and Local Government. Civil Services, and within them are multiple tasks that fall within the domain of public administration. While delivering a Public Lecture on the English Civil Service, Tout pointed out the reason for the vastness of the scope of public administration, when he said that "however much we may gamble, this growth of the bureaucracy is inevitable."[7]

THE MANAGERIAL SCHOOL

The Managerial School sees public administration as an area that is specifically concerned with only those persons engaged in the performance of managerial functions in an organization. This implies that only those who plan, programme and manage the activities of an organization are the main focus of public administration. The functions of these people are numerous, and are geared towards the achievement of certain goals. Gulick[8] comprehensively outlined these functions using the acronym POSDCORB, meaning:

P -   **Planning**- that is working out in broad outline the things that need to be done and the methods for doing them to accomplish the purpose set for the enterprise

O -   **Organizing**- that is the establishment of the formal structure of authority through which work subdivisions are arranged, defined, and co-ordinated for the defined objective;

S -   **Staffing**- that is the whole personnel function of bringing in and training the staff and maintaining favorable conditions of work;

D -   **Directing**- that is the continuous task of making decisions and embodying them in specific and general orders and instructions and serving as the leader of the enterprise

CO -   **Coordinating**- that is the all important duty of interrelating the various parts of the work;

R -   **Reporting** - that is keeping those to whom the executive is responsible informed as to what is going on, which thus includes keeping himself and his subordinates informed through records, research, and inspection;

B -   **Budgeting**.- with all that goes with budgeting in the form of planning, accounting and control

The POSDCoRB view

- Several writers have defined the scope of public administration in varying terms. Gullick sums up the scope of the subject by the letters of the word POSDCoRB which denote: Planning, Organization, Staffing, Directing, Co-ordinating reporting the Budgeting. Planning means the working out in broad outline the things to be done, the methods to be adopted to accomplish the purpose.

- Organization means the establishment of the formal structure of authority through which the work is sub-divided, arranged, defined and coordinated.

- Staffing means the recruitment and training of the personnel and their conditions of work.

- Directing means making decisions and issuing orders and instructions.

- Coordinating means inter-relating the work of various divisions, sections and other parts of the organization.

- Reporting means informing the superiors within the agency to whom the executive is responsible about what is going on.
- Budgeting means fiscal planning, control and accounting.

- According to Gullick the POSDCoRB[1] activities are common to all organizations. They are the common problems of management which are found in different agencies regardless of the nature of the work they do.

THE 'BODY OF KNOWLEDGE' SCHOOL

As a body of knowledge, public administration is directed towards the understanding of government and administration. Public administration is therefore viewed as an academic field of study that is concerned with the workings of government in the pursuit of some set objectives. It is best considered as a branch of social sciences that has a strong root in political science and borrows ideas,

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[1] Planning, Organization, Staffing, Directing, Co-ordinating reporting the Budgeting. Planning

methods, theories, frameworks and tools of analysis from economics, sociology, psychology mathematics, and business administration, physical and biological sciences.

Within this context, public administration promotes the use of human cooperative action, at the theoretical or practical level, to solve the practical problems that affect government performance. It therefore, examines and studies all actions relating to the formulation, implementation and evaluation of policy and the search for the productive, efficient and effective use of money, materials and men in the public realm.
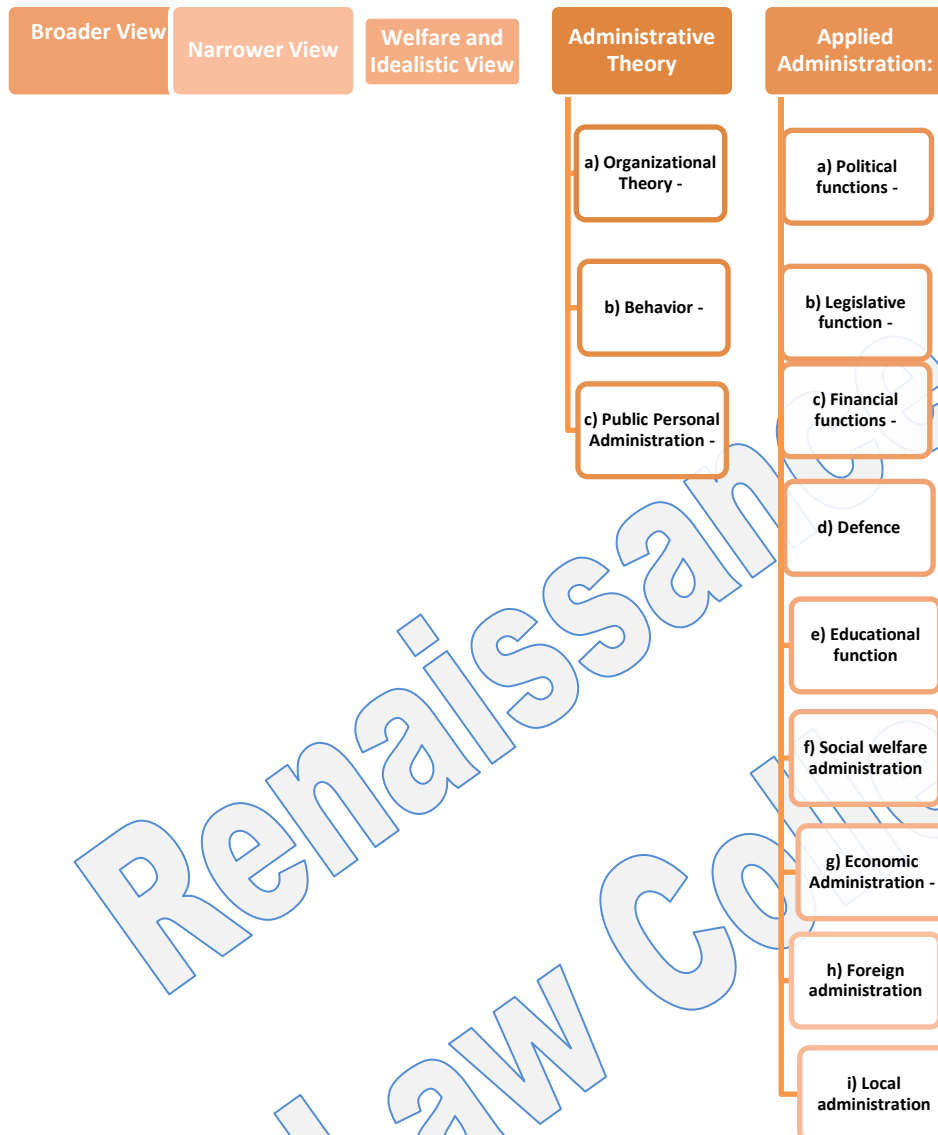
A. Scope of Public Administration as an activity

Broadly speaking, Public Administration embraces all the activities of the government. Hence as an activity the scope of public administration is no less than the scope of state activity. In the modern welfare state people expect many things – a wide variety of services and protection from the government. In this context public administration provides a number of welfare and social security services to the people. Besides, it has to manage government owned industries and regulate private industries. Public administration covers every area and activity within the ambit public policy. Thus, the scope of public administration is very wide in modern state.

B. Scope of Public Administration as a Discipline

The scope of public administration as a discipline, that is subject of studies, comprises of the following:

Broader View	Narrower View	Welfare and Idealistic View	Administrative Theory	Applied Administration:
			a) Organizational Theory -	a) Political functions -
			b) Behavior -	b) Legislative function -
			c) Public Personal Administration -	c) Financial functions -
				d) Defence
				e) Educational function
				f) Social welfare administration
				g) Economic Administration -
				h) Foreign administration
				i) Local administration

Broader View
According to this, Public Administration is concerned with all the three organs of the government – legislature, executive and judiciary. Supporters: Prof. L.D White, Marx etc.

Narrower View
According to this view Public Administration is concerned with only the executive branch of the government. Supporters: Simon, Gulick etc.

Welfare and Idealistic View
According to this view, the sole aim of the state is welfare of the people. Thus scope of public administration should be extended to all welfare activities for mankind.

Administrative Theory
This approach focuses upon the theoretical aspect of Public Administration and concentrates on theory building.
It includes the following aspects.
a) Organizational Theory -

The Structure, organization, functions and methods of all types of public authority engaged in administration, whether national, regional or local and executive.

b) Behavior -
The functions of administrative authorities and the various methods appropriate to different types of functions. The various forms of control of administration.

c) Public Personal Administration -
The problems concerning personnel e.g. recruitment, training, promotion, retirement etc. and the problems relating to planning, research, information and public relation services.

Applied Administration:
This focuses on the practical aspect of the Public Administration and concentrates on Public Administration in practice.

It includes the following aspects:-

a) Political functions -
It includes the executive - legislative relationship, administrative activities of the cabinet, the minister and permanent official relationship.

b) Legislative function -
It includes delegated legislation and the preparatory work done by the officials in connection with the drawing up of bills.

c) Financial functions -
It includes total financial administration from the preparation of the budget to its execution, accounting and audit etc.

d) Defence - Functions relating to military administration.

e) Educational function - It includes functions relating to educational administration.

f) Social welfare administration - It includes the activities of the departments concerned with food; housing, social security and development activities.

g) Economic Administration -
It is concerned with the production and encouragement of industries and agriculture.

h) Foreign administration -
It includes the conduct of foreign affairs, diplomacy, international cooperation etc.

i) Local administration -
It concern with the activities of the local self-governing institutions.

BASIC PRINCIPLES OF PUBLIC ADMINISTRATION

1. Principle of Authority
2. Discipline
3. Responsibility
4. Social need and necessity
5. Co-ordination
6. Command and unity
7. Economy
8. Labour
9. Public relationships
10. Organization

11. Confidence   12. Research

PUBLIC ADMINISTRATION VS PRIVATE ADMINISTRATION
DIFFERENCES

S.N	Public Administration	Private Administration
i.	Political Character and Direction	Non-Political Character
ii.	Wider Scope, Impact and Consideration	Narrower Scope, Impact and Consideration
iii.	Public Accountability	No Public Accountability
iv.	Principle of Uniformity	Principle of Diversity
v.	Principle of External Financial Control	Principle of Internal Financial Control
vi.	Service Motive	Profit Motive
vii.	Bureaucratic	Non-Bureaucratic
viii.	Rigidity	Flexibility
ix.	Broader and Urgent nature of Functions	Narrower and non-urgent nature of functions
x.	Anonymity	No Anonymity
xi.	High Status and Prestige	Comparative low status and pretige
xii.	Parameters of Performance Measurement are different.	

Similarities
1. Managerial Techniques and Skills
2. Uniformity in accounting, filing, statistics etc
3. Principle of Hierarchy
4. Practices and Standards
5. Problems of organization, personnel and finance
6. Mutual Exchange and rotation of personnel
7. Both Serve the people
8. Legal Constraints
9. Personnel Management

ROLE AND IMPORTANCE OF PUBLIC ADMINISTRATION
1. Basis of Government
2. Instrument of execution of law
3. Instrument of Social Change
4. Instrument of Economic Development
5. Instrument of National Integration
6. Instrument of state for delivery of services
7. Stabilizing force in the society
8. Preservation of Polity
9. Maintenance of Stability and Order
10. Management of large scale commercial services
11. Protection of weaker section society
12. Formation of Public Opinion
13. Influencing public policies and political trends.

Growing Importance:
1. Scientific and Technological Developments
2. Emergence of Welfare State replacing Police State
3. Industrial Revolution
4. Adoption of Economic Planning
5. Population Explosion
6. Changing nature of modern warfare
7. Increase in Natural Calamity
8. Decline of Social Harmony.
9. Complexity of functions performed by Modern State.

Unit-II Private and Public Administration

1	Organization ,Board of Director, GM,CEO in Pvt and Pub. Administration
2	Line and Staff Agencies

ORGANIZATION

Meaning of Organization:

Organization is the foundation upon which the whole structure of management is built. Organization is related with developing a frame work where the total work is divided into manageable components in order to facilitate the achievement of objectives or goals. Thus, organization is the structure or mechanism (machinery) that enables living things to work together. In a static sense, an organization is a structure or machinery manned by group of individuals who are working together towards a common goal. Alike 'management', the term 'organization ' has also been used in a number of ways. Broadly speaking, the term 'organization ' is used in four different senses: as a process, as a structure of relationship, as a group of persons and as a system, as given below:

Organization as a Process: In this first sense, organization is treated as a dynamic process and a managerial activity which is essential for planning the utilization of company's resources, plant an equipment materials, money and people to accomplish the various objectives.

Organization as a Framework of Relationship: In the second sense organization refers to the structure of relationships and among position jobs which is created to release certain objectives. The definitions of Henry, Urwick, Farland, Northcourt, Lansburgh and Spriegel Breach, Davis, Mooney and Reily etc., come under this group. For example: According to Mooney and Reily, "Organization is the form of every human association for the attainment of a common purpose."

Organization as a Group of persons: In the third sense, organization is very often viewed as a group of persons contributing their efforts towards certain goals. Organization begins when people combine their efforts for some common purpose. It is a universal truth that an individual is unable ability and resources. Barnard has defined 'Organization ' as an identifiable group of people contributing their efforts towards the attainment of goals.

Organization as a System: In the fourth sense, the organization is viewed as system. System concepts recognize that organizations are made up of components each of which has unique properties, capabilities and mutual relationship. The constituent element of a system are linked together in such complex ways that actions taken by one producer have far reaching effect on others.

In short, organizing is the determining, grouping and arranging of the various activities deemed necessary for the attainment of the objectives, the assigning of people to those activities, the providing of suitable physical factors of environment and the indicating of the relative authority delegated to each individual charged with the execution of each respective activity.

Definitions of Organization

- According to **Keith Davis**, "Organization may be defined as a group of individuals, large of small, that is cooperating under the direction of executive leadership in accomplishment of certain common object."
- According to **Chester I. Barnard**, "Organization is a system of co-operative activities of two or more persons."
- According to **Louis A. Allen**, "Organization is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority, and establishing relationship for the purpose of enabling people to work most effectively together in accomplishing objectives."
- According to **Mooney** and **Railey**, "Organization is the form of every human association for the attainment of a common purpose."

Existing DOF Functional Structure
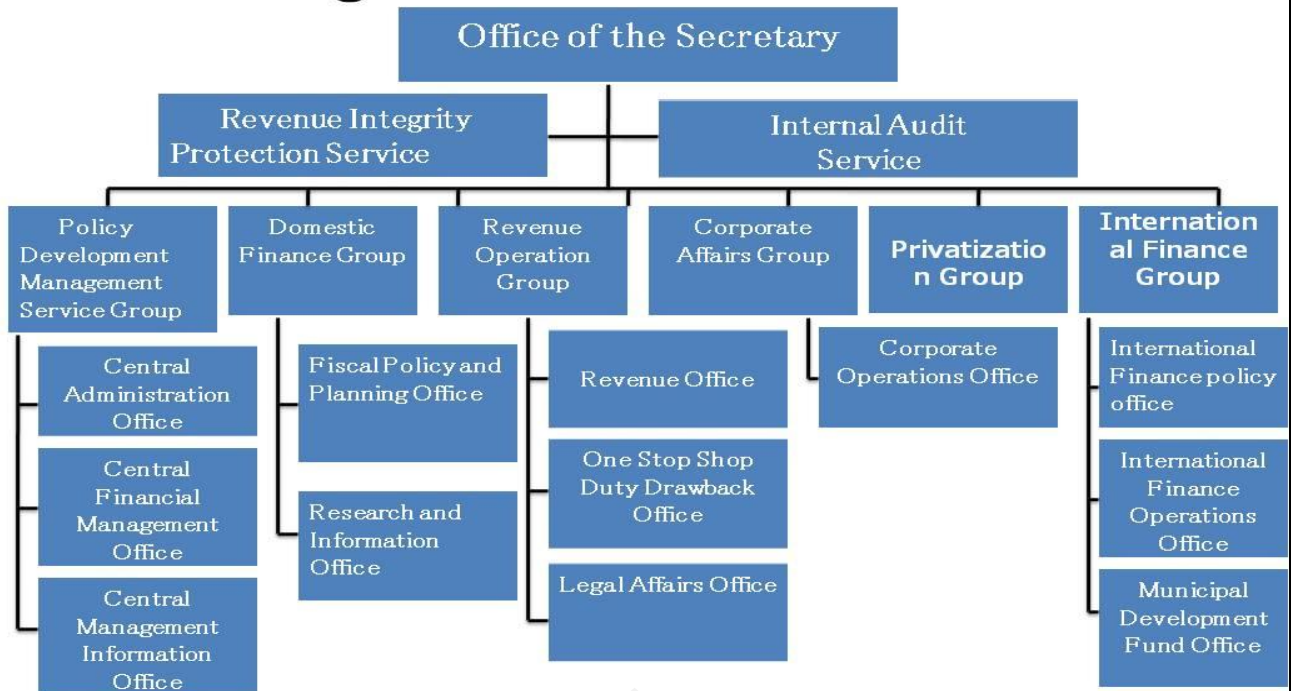
An Example of Organization

Bases of organization

1. Major purpose or function [2]
2. Area[3]
3. Clientele [4]
4. process[5]

Characteristics / Features of Organization

The main characteristics or Features of organization are as follows:

i. **Outlining the Objectives:** Born with the enterprise are its long-life objectives of profitable manufacturing and selling its products. Other objectives must be established by the administration from time to time to aid and support this main objective.

ii. **Identifying and Enumerating the Activities:** After the objective is selected, the management has to identify total task involved and its break-up closely related component activities that are to be performed by and individual or division or a department.

iii. **Assigning the Duties:** When activities have been grouped according to similarities and common purposes, they should be organized by a particular department. Within the department, the functional duties should be allotted to particular individuals.

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[2] Based on certain function
[3] Place where job is done
[4] Deal with the body of person or a section of community
[5] Process or profession to perform a specialized job

iv.   **Defining and Granting the Authority:** The authority and responsibility should be well defined and should correspond to each other. A close relationship between authority and responsibility should be established.

v.   **Creating Authority Relationship:** After assigning the duties and delegations of authority, the establishment of relationship is done. It involves deciding who will act under whom, who will be his subordinates, what will be his span of control and what will be his status in the organization . Besides these formal relationships, some informal organizations should also be developed.

Importance / Need / Advantages / Significance of Organization

The well-known industrialist of U.S.A. late Andrew Canrnegi, when sold his famous 'United State Steel Corporation', showed his confidence in organization by uttering the following words, "Take away our factories, take away our trade, our avenues of transportation, our money, leave nothing but our organization , and in four years, we shall re-established ourselves." Since ages and in every walk of life, organization has been playing a vital role. The significance or main advantages of organization are as follows:

i.   **It Facilitated Administration and management:** Organization is an important and the only tool to achieve enterprise goals set b administration and explained by management. A sound organization increases efficiency, avoids delay and duplication of work, increases managerial efficiency, increases promptness, motivates employees to perform their responsibility.

ii.   **It Help in the Growth of Enterprise:** Good organization is helpful to the growth, expansion and diversifications of the enterprise.

iii. **It Ensures Optimum Use of Human Resources:** Good organization establishes persons with different interests, skills, knowledge and viewpoints.

iv.   **It Stimulates Creativity:** A sound and well-conceived organization structure is the source of creative thinking and initiation of new ideas.

v.   **A Tool of Achieving Objectives:** Organization is a vital tool in the hands of the management for achieving set objectives of the business enterprise.

vi.   **Prevents Corruption:** Usually corruption exists in those enterprises which lack sound organization . Sound organization prevents corruption by raising the morale of employees. They are motivated to work with greater efficiency, honesty and devotion.

vii. **Co-ordination in the Enterprises:** Different jobs and positions are welded together by structural relationship of the organization. The organizational process exerts its due and balanced emphasis on the co-ordination of various activities.

viii. **Eliminates Overlapping and Duplication or work:** Over lapping and duplication of work exists when the work distribution is not clearly identified and the work is performed in a haphazard and disorganized way. Since a good organization demands that the duties be clearly assigned amongst workers, such overlapping and duplication is totally eliminated.

TYPES OF ORGANIZATION S: **Formal Organization**

FORMAL ORGANIZATION S:

                                                                              Informal Organization
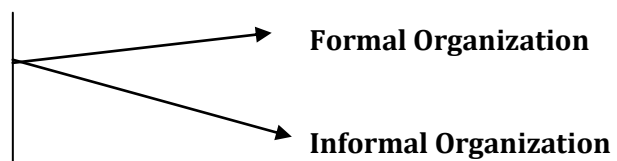
An organization that is established as a means for achieving defined objectives has been referred to as a **formal organization**. Its design specifies how goals are subdivided and reflected in subdivisions of the organization. Divisions, departments, sections, positions, jobs, and tasks make up this work structure. Thus, the formal organization is expected to behave impersonally in regard to relationships with clients or with its members. According to Weber's definition, entry and subsequent advancement is by merit or seniority. Each employee receives a salary and enjoys a degree of tenure that safeguards him from the arbitrary influence of superiors or of powerful clients. The higher his position in the

hierarchy, the greater his presumed expertise in adjudicating problems that may arise in the course of the work carried out at lower levels of the organization. It is this bureaucratic structure that forms the basis for the appointment of heads or chiefs of administrative subdivisions in the organization and endows them with the authority attached to their position.

INFORMAL ORGANIZATION S:

The **informal organization** is the interlocking social structure that governs how people work together in practice. It is the aggregate of behaviors, interactions, norms, personal and professional connections through which work gets done and relationships are built among people who share a common organizational affiliation or cluster of affiliations. It consists of a dynamic set of personal relationships, social networks, communities of common interest, and emotional sources of motivation. The informal organization evolves organically and spontaneously in response to changes in the work environment, the flux of people through its porous boundaries, and the complex social dynamics of its members. Informal organization is always found in formal organization s and they are interdependent. Formal organization is concerned with work only and does not give place to personal connections, so an employee will always want to let out and so it comes out in the form of personal connections between employees through sharing the same goals and motivations in life, parties organized by organization s regularly help these connections and this benefits the work of these employees immensely, as they work with more rigour to be up to their counterparts in status and recognitions as well as economically. So, within every formal organization one will find an informal organization, similarly, in every informal organization you will find its member also observing some rules and regulations of that group membership. So, they are interrelated and if one is shut out, the other will necessarily disintegrate.

Difference between Formal and Informal Organization
    1.   Formed by Whom?
A formal organization is formed by the top level management.
An informal organization is formed by social forces within the formal organization .
    2.   Rules and Regulations
The members of a formal organization have to follow certain rules and regulations. These rules are available in writing (documented). They are made by a formal authority (superiors). If the members follow these rules properly, then they will be rewarded. However, if they do not follow these rules, they will be punished.
The members of an informal organization do not have to follow any rules and regulations.
    3.   Duties and Responsibilities
In a formal organization, the duties, responsibilities, authority and accountability of each member is well-defined.
In an informal organization, there are no fixed duties, responsibilities, authority, accountability, etc. for the members.
    4.   Objectives or Goals
In a formal organization , the objectives or goals are specific and well-defined. The main objectives of a formal organization are productivity, growth, and expansion.
In an informal organization , the objectives are not specific and well-defined. The main objectives of an informal organization are friendship, security, common interest, individual and group satisfaction, etc.
    5.   Stability
A formal organization is stable.
An informal organization is not stable.
    6.   Channels of Communication
A formal organization uses formal channels of communication.
An informal organization uses informal channels of communication (i.e. grapevine)
    7.   Organization Chart
A formal organization is shown on the organization chart.

An informal organization is not shown on the organization chart
   8.   Superior-Subordinate Relationship
In a formal organization, there exist a superior-subordinate relationship.
In an informal organization, there is no such superior-subordinate relationship.
   9.   Benefits for Members
The members of the formal organization get financial benefits and perks like wages or salaries, bonus, travelling allowances, health insurance, etc.
The members of informal organization get social and personal benefits like friend circle, community, groups, etc.

Elements of Organization
- Objectives
- Specialization
- Co-ordination
- Hierarchy
- Authority

Principles and factors of organization
- Authority
- Leadership
- Hierarchy
- Co-ordination
- Command
- Span of control delegation
- Decisions making communication of decisions
- Supervisions and control

Form of administrative organization
- Line units
- Staff
- Administrative departments
- Government Corporation
- Independent regulatory commissions

BOARD OF DIRECTORS
A **board of directors** is a body of elected or appointed members who jointly oversee the activities of a company or organization. Other names include **board of governors**, **board of managers**, **board of regents**, **board of trustees**, and **board of visitors**. It is often simply referred to as "the board".

A board's activities are determined by the powers, duties, and responsibilities delegated to it or conferred on it by an authority outside itself. These matters are typically detailed in the organization's bylaws. The bylaws commonly also specify the number of members of the board, how they are to be chosen, and when they are to meet.

In an organization with voting members, the board acts on behalf of, and is subordinate to, the organization's full group, which usually chooses the members of the board. In a stock corporation, the board is elected by the shareholders and is the highest authority in the management of the corporation. In a non-stock corporation with no general voting membership, the board is the supreme governing body of the institution;[1] its members are sometimes chosen by the board itself.

Typical duties of boards of directors include:
1. governing the organization by establishing broad policies and objectives;
2. selecting, appointing, supporting and reviewing the performance of the chief executive;
3. ensuring the availability of adequate financial resources;
4. approving annual budgets;
5. accounting to the stakeholders for the organization's performance;
6. setting the salaries and compensation of company management;

The legal responsibilities of boards and board members vary with the nature of the organization, and with the jurisdiction within which it operates. For companies with publicly trading stock, these responsibilities are typically much more rigorous and complex than for those of other types.

The **six points** below outline the major responsibilities of the board of directors.

1. **Recruit, supervise, retain, evaluate and compensate** the manager. Recruiting, supervising, retaining, evaluating and compensating the CEO or general manager are probably the most important functions of the board of directors. Value-added business boards need to aggressively search for the best possible candidate for this position. Actively searching within your industry can lead to the identification of very capable people. Don't fall into the trap of hiring someone to manage the business because he/she is out of work and needs a job. Another major error of value-added businesses is under-compensating the manager. Managerial compensation can provide a good financial payoff in terms of attracting top candidates who will bring financial success to the value-added business.

2. **Provide direction for the organization**. The board has a strategic function in providing the vision, mission and goals of the organization. These are often determined in combination with the CEO or general manager of the business.

3. **Establish a policy based governance system**. The board has the responsibility of developing a governance system for the business. The articles of governance provide a framework but the board develops a series of policies. This refers to the board as a group and focuses on defining the rules of the group and how it will function. In a sense, it's no different than a club. The rules that the board establishes for the company should be policy based. In other words, the board develops policies to guide it own actions and the actions of the manager. The policies should be broad and not rigidly defined as to allow the board and manager leeway in achieving the goals of the business.

4. **Govern the organization and the relationship with the CEO**. Another responsibility of the board is to develop a governance system. The governance system involves how the board interacts with the general manager or CEO. Periodically the board interacts with the CEO during meetings of the board of directors. Typically that is done with a monthly board meeting, although some boards have switched to meetings three to four times a year, or maybe eight times a year. In the interim between these meetings, the board is kept informed through phone conferences or postal mail.

5. **Fiduciary duty to protect the organization's assets and member's investment.** The board has a fiduciary responsibility to represent and protect the member's/investor's interest in the company. So the board has to make sure the assets of the company are kept in good order. This includes the company's plant, equipment and facilities, including the human capital (people who work for the company.)

6. **Monitor and control function**. The board of directors has a monitoring and control function. The board is in charge of the auditing process and hires the auditor. It is in charge of making sure the audit is done in a timely manner each year.

GENERAL MANAGERS

A **general manager** is a business executive who usually oversees a unit or firm's marketing and sales functions, as well as the day-to-day business operations.

Roles & Responsibilities:

1. **Administer** daily operations
2. **Create**, review and implement business procedures
3. **Work** with department heads
4. **Plan** company activities
5. **Manage** financial budgets
6. **Take care of** company expenditure and bills
7. **Manage** company property such as cars, telecommunication devices, and laptops
8. **Handle** business procurements

9. **Delegate** responsibilities
10. **Hire**, train, assess and fire staff
11. **Execute** administrative responsibilities
12. **Attend** meetings, trainings, seminars and conferences
13. **Travel to** different locations

General Managers are sometimes known as corporate managers, executive directors, presidents, chief executive officer, chief operating officer, vice presidents, regional managers, brand manager, or business administrators; depending on the company.

The wage package for a **General Managers** is very lucrative in any industry, due to their responsibilities. They receive increases based on their years of experience or constant internal client satisfaction levels. Managers maintain regular office hours and do work overtime when required.

Skills
1. Have **thorough knowledge about marketing strategies**
2. Be able to **manoeuvre and develop business procedures**
3. Have proficient **leadership, organizational and supervisory skills**
4. Be **dependable and professional**
5. Have **computer and software skills**
6. Have superior **training and presentation skills**
7. Be able to **communicate successfully in both written and verbal format**
8. Be able to properly **manage teams and employees**
9. Be able to **delegate responsibilities**
10. Have **first-rate skills in understanding, creating and analysing financial reports or budgets**
11. Be able to **produce high level of quality service to colleagues**
12. **Understand organizational culture**
13. Be **cordial and amenable**
14. Be **resourceful, inventive and self-confident**

CHIEF EXECUTIVE OFFICER (CEO)

The highest ranking executive in a company whose main responsibilities include developing and implementing high-level strategies, making major corporate decisions, managing the overall operations and resources of a company, and acting as the main point of communication between the board of directors and the corporate operations. The CEO will often have a position on the board, and in some cases is even the chair.

The Chief Executive Officer (hereafter CEO) is a member of the Company's Board of Directors and his/her function can be combined with the function of Chairman of the Board.

The CEO is delegated by the board, when it is established as a body, to have full administrative and representational powers. In the context of this authority, the CEO is in charge of all the Company's departments, directs their operation, makes the necessary decisions in the framework set out by the applicable legislation, the Articles of Association, the regulations governing the Company's function, the approved projects and budgets, as well as board decisions.

Types of CEO
1) Titular and Real Chief Executive   4) The various types of Local Executives
2) Parliamentary and Presidential CEO   5) The Chief Executive as the Head of the State.
3) Collegial Executive of Switzerland

Responsibilities of the CEO include most importantly:
1. Political Management
2. Formulation of Administrative Policies
3. Planning
4. Organize
5. Human Resource Management
6. Direct Administration
7. To order Investigation and enquiries wherever required.
8. Coordination
9. Manage Public Relations

Qualities needed for a successful CEO:
1. Domain expertise (technology or other)
2. Leadership & personal power
3. Financial savvy
4. Ability to pitch and close
5. Honor
6. Realism
7. Perseverance
8. Patience
9. Perspective on the larger scheme of things
10. Courage to move forward, or stop, and to know when to do either one.

LINE AND STAFF
➢ The administrative organization consists of three types of agencies:
   i. Line
   ii. Staff
   iii. Auxiliary

➢ The line agencies directly work for the achievement of the organizational purpose.
➢ The staff agencies advise and assist the line agencies in their activities.
➢ The Auxiliary agencies provide common housekeeping services to the line agencies.

Line Agencies:
There are four types of line agencies in public administration:
   i. Government Departments
   ii. Public Corporations
   iii. Government Companies
   iv. Independent Regulatory Commissions

Types of Line Organization:
1. Pure line organization
2. Departmental line organization

1. Pure line organization:
In pure line Organization all the persons at a given level perform same type of work. The divisions are solely for the purpose of control and direction. Organization Structure of pure line organization

2. Departmental line organization:
In departmental line organization, the whole unit is divided into different departments that are convenient for control purposes. Each departmental worker is under the control of the departmental manager who is responsible to his superior over him. All departmental managers enjoy equal status and work independently, again, even within a department, there may be several sub-departments.

Merits of line organization
1. Simplicity: Line Organization is simple to establish and can be understood by the employees.
2. Fixed responsibility: Line Organization helps in fixing authority and responsibility. Hence no person can escape his responsibility.
3. Unity of control: An employee receives orders and instructions from only one superior. It means a subordinate is responsible to only one superior.
4. Prompt decisions: Unification of authority and responsibility facilitates quick and prompt decisions.

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5. Discipline: Single line authority and responsibility ensures strong discipline in the organization .
6. Flexibility: The adjustments in the Organization can be easily made to suit the changing conditions.
7. Co-ordination: As all activities relating to one department are managed by one individual, there is a possibility for effective coordination.
8. Less expensive: It is less expensive as no expenditure on staff personnel is incurred.

Demerits of line organization
1. Lack of specialization: As one person looks after all the work relating to his department, there is no scope for specialization.
2. Excess work: In this type, an executive is overloaded with work and hence he may not be in a position to direct and control the efforts of his subordinates properly.

3. Scope of favoritism: Since only one executive controls all the activities relating to his department, there is scope for favoritism and corruption.
4. Limited communication: In this type, there is no communication from subordinates upwards and the workers should follow the orders of superiors, without expressing any opinion about the orders communicated to them.
5. Unity of administration: All the decisions relating to a department are taken by only one executive and hence, the successful functioning of that department depends upon his abilities.
6. Lack of co-operation: Unitary control may result in lack of cooperation and team spirit.

Functional or Staff Organization:
In functional Organization the task of management and direction of subordinates should be divided according to the type of work involved. All activities are divided into functions like production, marketing, finance, personnel etc., and are put under the charge of different persons. The person in charge of a function is a specialist in it.

The important staff agencies of Government of India are:
1. Cabinet Secretariat
2. PMO
3. Cabinet Committees
4. Planning Commission

Advantages:
1. Specialization: It ensures maximum use of the principles of specialization at every work point.
2. Efficiency: Since worker's have to perform a limited number of functions their efficiency would be high.
3. Co-operation: As there is no scope for one man control in the organization, there is a possibility of promoting co-operation.
4. Relief to the executives: Since instructions from specialist flow directly to the lower levels, the line executives are free from worries.
5. Flexibility: Any changes in the Organization can be introduced without disturbing the whole organization .

Disadvantages
1. Conflicts among foremen: Under this form, foremen of equal ranks are many in number and this may lead to conflicts among them.
2. Discipline: Since workers have to work under different bosses, it is difficult to maintain discipline among them.
3. Lack of co-ordination: There are several functional experts in the Organization and this may create problem of co-ordination.
4. Speed of action: As control is divided among the various specialists, the speed of action is very much hampered.
5. Lack of fixed responsibility: If there is any unsatisfactory progress, it is difficult for the top executives to fix responsibility.
6. Expensive: As large number of specialists is to be appointed under this system, it is very expensive.

Line and staff organization
In line and staff organization, the work of administration is divided into two broad division's viz., the staff which is responsible for planning and the line for the actual execution of the work. The staff personnel only give advice to the line officials but do not enforce it. The staff officials prepare plans and recommend to the line officials who implement them with the help of departmental personnel.

Advantages
1. Specialization: The staff officers concentrate mainly on the planning function and the line officers on the doing function. By this method specialization is attained.
2. Flexibility: Staff can be added to the line and the new activities may be introduced without disturbing the line procedure.
3. Expert advice: The staff officers provide expert advice and guidance to line officers.
4. Relief to the line executive: The staff officers look after the detailed analysis of each important managerial activity which is a big relief to the line officers.
5. Opportunity for advancement: In this form a greater variety of responsible jobs are available and this provides for more opportunities for the advancement of capable workers.

Disadvantages
1. Confusion: If the pattern of authority and responsibility relationship between line and staff executives is not clearly indicated, there may be considerable confusion throughout the organization.
2. Advice ignored: As the staff officers lack authority to put their recommendations into practice, their advice may be ignored by the line officers.
3. Expensive: This form requires the appointment of large number of experts involving heavy expenditure.
4. Conflict between line and staff: There is a possibility of conflict between line and staff personnel.

Line Staff Conflict:
Line managers have the following complaints against staff
1. Staff takes credit if the programme is successful and blames the line if it is not successful.
2. Advice given by the staff is not always sound. Advice is only theoretical and unrealistic.
3. Staff authorities are not acquainted with the practical problems of the enterprise as they are only academicians.
4. Staff authority undermines the line authority and interferes in the work of line managers.

Staff personnel have the following complaints
1. Line officers do not make proper use of advice given by the staff.
2. Line officers reject the advice without giving reasons.
3. Line officers are slow to accept new ideas and they resist change.
4. Staff authorities feel that they do not have authority to get their ideas implemented.

Function of the staff agencies
It is not just difficult but impossible for a single man to carry out all the administrative responsibility single handedly. Any leader requires a body of people whom he can direct and lead to achieve the desired goals of the organization. The literal meaning of staff is learning as it was used in the army and it has been borrowed from there and used in civil organizations. As Mooney points out that, there are too many functions, too diversified knowledge and too many things to think about which is difficult for a single leader to encompass.

The distinction between line and staff agencies is more of degree than of the kind. Staff personals are involved in involved in planning and thinking. The execution and implementation of those plans and policies are the jobs of the line agencies. Like, pointed out earlier, in some cases the staff functions are similar to line functions and line functions to that of staff. The other way of looking at it is that the staff agencies collect data for the formulation of policies which can be further executed and complemented by line agencies.

The main function of the staff agencies as identified by L D White are:
- Keep the Chief Executive and top officials informed and updated with relevant information
- Assisting the Chief Executive and other officials in foreseeing problems and planning of the future
- To ensure that the matters which require the final decision making by the Chief Executive, reach his desk in time and that rational, logical, thoughtful and informed decisions are taken on those matters
- Evaluate the matters which may be settled elsewhere to be excluded in the Chief Executive's list
- Assist him in managing his time well
- Securing compliance by subordinates through the means of established policies and execution guidelines

The example of such staff agencies are the British Treasury and the Budget and Economic Affairs Department of the ministry of Finance which helps formulate the financial policies of the Union Government of India. In USA, the general staff agency is the President's Executive office which has two parts, the White House and the Bureau of Budget.

Ever since the increased scope of the government activities lead to the process of specialization. Due to which there was a need to separate the primary and secondary activities of the administrative agencies. The house-keeping activities were segregated and organized under specialized offices. These activities are known as the auxiliary or the institutional activities.

As per Willoughby, the primary activities are those activities that a service performs to accomplish those very purposes for which it exists. Like the primary activity of the Home Affairs department is maintaining peace and order. The secondary activities are those which the service needs to keep performing so that it may exist and operate as a service. Again, for the Home Affairs department, those services may be recruiting people, buying furniture and stationeries etc. the functions of auxiliary services are:
- Exercising financial controls and collecting revenues for the departments whose needs they have to meet
- Supplying equipments and arranging Services
- Acting as a record office
- Recruiting personnel's.

LINE AUTHORITY:

The most fundamental authority within an organization reflects existing superior-subordinate relationships. It consists of the right to make decisions and to give order concerning the production, sales or finance related behaviour of subordinates.

In general, line authority pertains to matters directly involving management system production, sales, finance etc., and as a result with the attainment of objectives.

People directly responsible for these areas within the organization are delegated line authority to assist them in performing their obligatory activities.

STAFF AUTHORITY:

Staff authority consists of the right to advise or assist those who possess line authority as well as other staff personnel.

Staff authority enables those responsible for improving the effectiveness of line personnel to perform their required tasks

Line and Staff personnel must work together closely to maintain the efficiency and effectiveness of the organization. To ensure that line and staff personnel do work together productively, management must make sure both groups understand the organizational mission, have specific objectives, and

realize that they are partners in helping the organization reach its objectives.

Size is perhaps the most significant factor in determining whether or not an organization will have staff personnel. The larger the organization, the greater the need and ability to employ staff personnel.

As an organization expands, it usually needs employees with expertise in diversified areas. Although small organizations may also require this kind of diverse expertise, they often find it more practical to hire part time consultants to provide it is as needed rather than to hire full time staff personnel, who may not always be kept busy.

LINE – STAFF RELATIONSHIPS:

E.g. A plant manager has line authority over each immediate subordinate, human resource manager, the production manager and the sales manager.

However, the human resource manager has staff authority in relation to the plant manger, meaning the human resource manager has staff authority in relation to the plant manager, meaning the human resource manager possesses the right to advise the plant manager on human resource matters.

Still final decisions concerning human resource matters are in the hands of the plant manager, the person holding the line authority.

ROLE OF STAFF PERSONNEL:

Harold Stieglitz has pinpointed 3 roles that staff personnel typically perform to assist line personnel:

The Advisory or Counseling Role: In this role, staff personnel use their professional expertise to solve organizational problems. The staff personnel are, in effect, internal consultants whose relationship with line personnel is similar to that of a professional and a client.

The Service Role: Staff personnel in this role provide services that can more efficiently and effectively be provided by a single centralized staff group than by many individuals scattered throughout the organization. This role can probably best be understood if staff personnel are viewed as suppliers and line personnel as customers.

The Control Role: Staff personnel help establish a mechanism for evaluating the effectiveness of organizational plans.

The role of staff in any organization should be specifically designed to best meet the needs of that organization.

CONFLICT IN LINE – STAFF RELATIONSHIP:

From the view point of line personnel, conflict is created because staff personnel tend to
· Assume Line Authority
· Do not give Sound Advice
· Steal Credit for Success
· Fail to Keep line personnel informed of their activities
· Do not see the whole picture.

From the view point of Staff Personnel, conflict is created because line personnel do not make proper use of staff personnel, resist new ideas and refuse to give staff personnel enough authority to do their jobs.

Staff Personnel can often avert line-staff conflicts if they strive to emphasize the objectives of the organization as a whole, encourage and educate line personnel in the appropriate use of staff personnel, obtain any necessary skills they do not already possess, and deal intelligently with the resistance to change rather than view it as an immovable barrier.

Line personnel can do their part to minimize line staff conflict by sing staff personnel wherever possible, making proper use of the staff abilities, and keeping staff personnel appropriately informed.

FUNCTIONAL AUTHORITY:

Functional authority consists of the right to give orders within a segment of the organization in which this right is normally nonexistent.

This authority is usually assigned to individuals to complement the line or staff authority they already possess.

Functional Authority generally covers only specific task areas and is operational only for designated amounts of time. It is given to individuals who, in order to meet responsibilities in their own areas, must be able to exercise some control over organization members in other areas.

UNIT-3

1	**Public Corporation**
2	**Civil Services and Public Service Commissions**
3	**Recruitment, Training, Promotion, Transfer, Increment and Retirement**
4	**Public Finance and Budget**
5	**Financial Administration in India**
6	**Parliamentary Control over Finance**

The organization provides the framework, which substantially shapes interrelationships amongst the public enterprises as well as the government. The following are the major organizational forms of the public enterprises.

(a) Departmental Organization
It was, at one point of time, the prominent form of organization of the public enterprises for two reasons. First, it was easy for a government to create an enterprise within the organizational framework of one of its already existing departments. Secondly, in the initial stages of developmental planning, the number of such enterprises with commercial functions was small.

(b) Public Corporation
It is an autonomous form of the organization "clothed with the power of the government, but possessed with the flexibility and initiative of private enterprise" according to F.D. Roosevelt, the President of USA, given while discussing the Tennessee Valley Authority.

Public Corporation may be understood in general terms as an autonomous commercial organization established at government's insistence outside the framework of government department and company legislation.
  i.   It is wholly owned by the State.
 ii.   It is generally created by, or pursuant to, a special law defining its powers, duties, and immunities and prescribing the form of the management its relationship to established departments and ministries.
iii.   As a corporate body it is a separate entity for legal purposes and can sue and be sued, enter into contract and acquire property in its own name.
 iv.   Except for appropriations to provide capital or to cover losses, a public corporation is usually independently financed.
  v.   It is generally exempted from most regulatory and propitiatory statues applicable to expenditure of public funds.
 vi.   It is ordinarily not subject to budget accounting and audit laws and procedure applicable to no corporate agencies.
vii.   In majority of cases, employees of public corporations are not civil servants and they are recruited and remunerated under terms and conditions, which the corporation itself determines.
viii. It may not be wholly owned by the State.
 ix.   Every public corporation need not be the result of a special enactment.
  x.   Some of the restrictive regulations applicable to government departments' expenditures and the audit system can also be imposed on public corporations.
 xi.   Some of the employees of public corporations, especially at the top level, may be from the civil services.

(c) Government Company

The joint stock company is another organizational form of public enterprises. The 'company form' which may also be called a 'government company' is described in many countries as an enterprise registered under the Companies Act of the land in which the government and/or public enterprises hold at least 51 per cent of equity capital.

(d) Joint Enterprise
State participation in an economic activity along with the private sector has led to the creation of a specific type of organizational form, which is known as joint enterprise.

Factors responsible for the emergence of Joint Enterprises
1. Government's will to set up joint enterprises with private sector may be in either of the following situations:
    i.   Lack of initiative to participate in the private enterprises which can be secured by government's participation; or
    ii. Government wants to conserve its limited resources and invite private capital so that the government can extend its coverage to more fields in the public sector.
2. The government's decision to enter into partial ownership of a going private enterprise may occur in the following situations:
    i.   For conversion of loans of the private sector into equity capital
    ii. For regulating the monopolistic operations or public interest potentials of a private enterprise;
    iii. For overcoming the 'sickness' or 'mismanagement' of a private enterprise
    iv. For governing profit in case of a private enterprise;
    v.   For continuation of previous management, in case of nationalization of private enterprise; and
    vi. For limiting cost compensation, in case of nationalization of foreign private enterprise. There has been a progressive increase in the number of joint enterprises the world over, especially in the wake of privatization wave.

(e) Development Corporation
It is difficult to exactly define 'Development Corporation'. On the basis of empirical evidence world over, especially in the developing countries, it may signify an autonomous agency in the public sector, primarily to promote, rather than to operate, economic activities through a system of subsidizing. The promotional activity of a Development Corporation is as follows.
    i.   It promotes an activity which otherwise might not come into existence.
    ii. It accelerates an activity which otherwise would materialize at a slow pace in small outputs and in a sect orally unbalanced manner.
    iii. It promotes a desired pattern of economic activity, meaning thereby the expansion of desired sector of activity, promotion of units of desired sizes, attainment of desired balance of payments, development of certain economic activity in the desired region, etc.

CIVIL SERVICES AND PUBLIC SERVICE COMMISSIONS
The term, 'Public Service' is rather of recent origin and has a limited application. Its predecessor, civil service, has still the largest application and is well understood. Civil service, refers to purely non-technical services. The term 'Civil Service' was coined on the analogy of military and police services. But while the military and police services are concerned with the safeguarding of the country from external and internal dangers, civil service is concerned only with the civil affairs of the state. Hence the term 'Civil Service' has come to signify non-combatant branches of the administrative service of the state.

According to E.N. Gladden, "A civil servant may be defined as a servant of the Crown (not being the holder of a political or judicial office), who is employed in a civil capacity and whose remuneration is

wholly paid out of monies provided by Parliament." This excludes members of the armed forces and judicial services. Herman Finer defines the civil service as a "professional body of officials, permanent, paid and skilled." Of late a new category has been added to the civil service, namely, industrial workers. As more and more enterprises, both industrial and commercial, come under the purview of the public sector, the number of such workers would increase. Herman Finer has classified the British civil service into three categories Administrative, Technical and Manipulative (to execute orders handed down by the first two classes by common physical activity).

Civil servants are public employees hired to provide services to the public by federal, state, county, and municipal governments. The legislature provides the methods by which civil servants are selected and regulations governing the civil service.

A civil service system is established by the legislature, who may delegate to a board of civil service commissioners the authority to make rules consistent with existing laws, to conduct investigations, and generally to exercise any and all administrative measures necessary and proper to achieve the objectives and purposes of the civil service laws. Appointments are normally made from eligibility lists composed of persons meeting the established qualifications as determined by tests and civil service examinations. The procedures for the hiring and firing of civil servants are generally more regulated and less discretionary than those for employees in the private sector.

Civil service positions are often associated with a bureaucracy, which is characterized by a hierarchical authority structure, task specialization, and extensive rules. Bureaucracies are often regarded in a negative light due to perceived unresponsiveness to the public's needs. Critics of the civil service system allege that since civil servants must be fired "for cause", they lack the incentive to provide the same level of service that employees who can be fired at will possess. Therefore, they may function in a bureaucratic matter and resist challenges to perform outside the scope of their defined duties.

Characteristics of Modern Civil Services:

i.	Professional	v.	Impartiality
ii.	Based on Hierarchy	vi.	Missionary Spirit
iii.	Non-Political	vii.	Public Accountability
iv.	Anonymity		

Functions of Civil Services:

i.	Aid and Advice	viii.	Role in Development Administration
ii.	To implement public policies.	ix.	Role in Economic Development
iii.	The Public Service	x.	Modernization and Social Change
iv.	Organization and Methods	xi.	Energizing, Execution and Supervision
v.	Delegated Legislation	xii.	Role in Financial Administration
vi.	To face new challenges	xiii.	Innovation with government.
vii.	Instrument of Political Development		

New Trends of Public Services:
   i.   Increasing number of Civil Servants.
   ii.   Inclusion of specialists and technocrats.
   iii. Increasing powers
   iv.   Change of trend from negative to positive.
   v.   Changing modern concept of neutrality
   vi.   More stress on Moral and Professional Values.

Relation of Civil Servants with Political Executives:

a. Under the Parliamentary system of Government which India has adopted, executive power in each department of Government vests in a Minister who is a member of the legislature and is responsible for its policies and performance.

b. The Minister is an amateur who does not possess much experience or knowledge of the working of his department. He is, therefore, assisted and advised by a permanent head of the department or Secretary.

c. The Minister, as a member of the Government, formulates the policy of the department under his charge and it is for the Secretary, assisted by his team of civil servant assistants, to carry out the policy.

d. The civil servants furnish facts, figures and precedents on which policy is based. In some cases, policy questions may even be initiated by them. The size and importance of the Prime Minister's Secretariat is one small evidence of the increasing role that the civil servants play in making of policy.

e. Normally, it is none of the business of a civil servant to question the merits of a policy laid down by the Minister. But it is both his right and his duty to point out to the Minister the drawbacks of a particular policy decision. He must give his advice frankly and fearlessly and then carry out orders.

f. In India, senior civil servants have been found wanting as far as tendering frank and fearless advice is concerned. There has been a general tendency to give the Minister the advice he would like to have. The Administrative Reforms Commission observed that "a further development of this unhealthy trend is the emergence of personal affiliation leading to an element of politicization' among the civil servant." Too many Secretaries find out orally what the Minister desires and then trim their notings on the files to suit his wishes.

g. The tendency of Ministers to treat senior civil servants not as advisers but as hirelings and the willingness of many civil servants to accept this role has been one of the serious weaknesses of Parliamentary Government in India.

h. Ministers, either with an eye on the next election or under pressure from their supporters, friends or relations, ask for administrative actions which do not conform to rules or which involve unfairness and discrimination. Such actions often relate to matters of transfers, postings, promotions, recognition of institutions, and issue of licenses, grants, etc. There are not many senior civil servants who refuse to yield to ministerial pressure in such matters.

i. There are large scale transfers of senior civil servants which often follow a change of Government in the States. Even at the Centre, Ministers are known to insist on having Secretaries of their choice.

j. It's a common complaint that senior civil servants act as darbaris to their Ministers.

Neutral Vs. Committed Bureaucracy
Under the concept of neutrality, bureaucracy serves as a permanent instrument of Government under conditions of changing party control, by acknowledging and adopting neutrality.

According to O.P. Dwivedi and R.B. Jain, "Such neutrality is the working premise for the loyal support of any lawful Government whatever be its ideological stance. On the other hand, it may and does foster a personal disengagement from any kind of political choice, including the difference between constitutional or unconstitutional means or ends in the actions of the Government of the day."

In India, the concept of civil service neutrality began to be attacked after Mrs. Indira Gandhi expressed dissatisfaction at the slow rate of socio-economic change in the country. She blamed the bureaucracy for sabotaging the Government programmes and expressed the view that only a 'committed bureaucracy' could bring about social transformation envisaged in the Five Year Plans and in progressive legislation. She felt that the bureaucracy in India with its background, education and

training had isolated itself from the masses and, thus, was unable to keep pace with the rapidly changing socio-economic scene. Several reasons have been given in favour of
the view that neutral model has not worked in India according to its basic spirit.

➢ The myth of neutrality of Indian bureaucracy has been exploded. All organized groups have their political activity; India's bureaucracy cannot be an exception.
➢ Too much political interference at all levels of the administration has forced the bureaucracy to abandon its neutrality and follow the directives of the political masters.
➢ The Congress Government did not regard itself as a party, but as a faith in all its aspects.
➢ Due to their different social and economic backgrounds, there has not been, by and large, proper rapport between the Ministers and top civil servants, making it difficult for the latter to stay neutral.

• Continuous emphasis on neutrality has led to ideological indifference among civil servants. They are divorced from the basic philosophical, social and economic controversies behind decisions of the Government.
• Political neutrality creates a dilemma for the civil servants. It lies in the paradox of civil servants being in and yet out of politics. It is accentuated in a political system overstrained by sharply contradictory pressures on it.
• In a society like ours where bureaucracy is caught between intentional competing political forces and strong tendencies towards social fragmentations and national disintegration, neutrality is difficult to practice.
• Civil servants are part of society and are, thus, bound to represent the conflicts rampant in society.

Origin and Development of Civil Services in India:
The civil services in India can, without doubt, be regarded as the most remarkable of all the institutions, Britain has bequeathed to India. The term `civil service', which is now applied to the general body of persons employed on non-combatant work connected with the administration of states, was first used in the late eighteenth century to designate those employees (known as 'writers') of East India Company, who were engaged in Mercantile work.

As the character of the company changed – its trading operations were first supplemented by territorial dominion and eventually replaced by the responsibilities of government – its civil servants were transformed from traders into administrators.

Roughly from 1606 to 1740, the civil servants were managing primarily trading operations, and incidentally administrative work which grew more and more in size as the East India Company acquired territorial possessions notably after the battle of Plassey. Precisely from 1741 to 1834, the civil servants were entrusted with purely administrative activities.

By 1858, when the transfer of power from East India Company to the British Crown became a reality, the foundation of the Indian Civil Services was formally implemented.

As soon as the `Rule of Company Bahadur' was terminated and replaced by the `Rule of Crown', a bureaucratic hierarchical structure came into existence in India. During that period, the Secretary of State for India, in Britain, was at the top the Viceroy and Governor General of India just below him; Provincial Governors/Lt. Governors/Chief Commissioners below Viceroy; and Collector/Magistrates or Deputy Commissioners and other civil servants etc. occupying the lowest rung of the four tier structure of the centralised white bureaucracy.

In India, the Viceroy and the Governor General (the supreme bureaucrat for the Government of India) was the Crown's representative. His office was set up by the Regulating Act of 1773, while the Act of 1858 decorated its title as Viceroy and the Governor General of India. He had assumed much authority in his own hands on account of being the `man on the spot.' All provincial and local administration was under his absolute control. Due to the policy of maintaining a uniform administrative system all over the country, his control was very extensive in the administrative field. Though the public services were recruited by the Secretary of State, it was the duty of the Government of India to lay down policies of reform and progress of the administrative system in the form of Resolutions.

The Act of 1919 and that of 1935 had relaxed Central control over the provincial administration, but Governor continued to act as the concrete embodiment of the bureaucratic administration under the absolute superintendence, direction and control of the Governor General.

The civil servants of different ranks, i.e. Commissioners/Deputy Commissioners/District Collectors and Magistrates etc., were entrusted with the responsibility of running the administration of their division, district or some such local area according to the dictates of the upper echelons of British Bureaucracy.

From 1805 to 1885, the higher civil servants were nominated by the individual Directors of the Company. From 1858 onwards, in order to make the civil services in India more efficient and well equipped, the British Civil Service Commission was created in 1855 and given the responsibility to select officials through competitive examination.

The civil service during British rule was characterized as hierarchy of officers neither chosen nor accountable to the Indian people. At the level of local administration, it meant `Raj' to the masses of the country, as the rule of an officer "was based on fear and awe and mass obedience was extracted by repression and suppression of popular demands". The higher civil servants were appointed and for that reason, accountable to those above them.

Post 1919 period witnessed the intensification of national movements, emergence of Gandhi and Congress and the acceptance of the methods of violence by some parties as a means to achieve independence. During this period the main task of the administration was to maintain law and order intact at any cost.

In 1947 came the Independence. With the attainment of Independence and adoption of socialist and egalitarian society as ultimate national goals, the demands on administration underwent a qualitative change. The basic task of administration changed from one of attending to routine regulatory function to that of development administration, promoting a rapid socio-economic change.

Since then, the pressure on administration has increased manifold, because of –
- Quantitative expansion in the work load of modern governments;
- Increasing complexity of the problems of modern governments;
- The accelerative thrust of science & technology;
- Demand for specialisation,
- The rapidly rising tempo of political consciousness among masses;
- The dependence of national stability upon the ability of government to satisfy at least a minimum of popular need and expectations;
- An urgent need for radical change in the attitudes of the government employees

More the problems, more efficient and better equipped bureaucracy of the nation should be, its being an important instrument to solve nation's problems, to face the challenges and meet new demands.

PUBLIC SERVICE COMMISSION
The civil servants occupy an important role in the successful administration of state at different levels. Therefore, their recruitment, training, emoluments, conditions of service, promotion policies, etc. assume importance. For an impartial consideration of these matters relating to civil servants, an independent and expert authority is required which is known as the institution of public service commission.

One of the important features of our Constitution is the inclusion of Public Service Commission at both Union and State levels in the Constitution itself. While UPSC and SPSC are constitutional bodies, a joint public service commission is created by an Act of Parliament.

The need of an independent body:
Recruitment of civil servants has to be neutral, unbiased and free from prejudices of any kind. Then alone any merit system will inspire confidence. To ensure objectivity and impartiality in recruitment, several measures have been taken. The constitution of an independent agency in the form of a public service commission for recruitment is one.

Through this agency:
 i.   the executive branch has been divested of the power of making recruitment to the superior levels of civil services.
 ii.   the agency thus created is an extra-departmental body such as a commission, which functions outside the normal machinery of government.
 iii. a special constitutional status is conferred on this agency to ensure autonomous functioning.

It must be remembered that the commission is only a recruiting agency, and not an appointing authority. The authority of making appointments rests with the government. The commission is an advisory and recommendatory body. Its decisions are not mandatory. Normally, government accepts its recommendations, but government may not always accept what the commission suggests. However, in such cases the reasons for not accepting the recommendations have to be explained and recorded.

Why a Commission Type of Organization?
The constitution provided a commission as distinct from the customary departmental type for undertaking the task of recruitment of civil servants. The fathers of the constitution were perhaps guided in their decision by the fact that the task requires experts and longer specialized knowledge also and that facilitates collective deliberation by a group of experts who are able to pool their knowledge and experience to arrive at informed and objective decisions. Such a method of making decisions collectively is described as corporate mode of functioning or decision making.

Further a plural body likes public service commission consisting of experts in parts professional and technical weight age in the process of decision making. When several heads combine for deliberations, biases are eliminated and objectivity is ensured. A commission functions outside the normal governmental machinery, hence greater flexibility and innovativeness of approach is possible. Bureaucratic rigidities and delays, which characterize government departments can thus be avoided.

Composition of Union Public Service Commission
For the purpose of the higher level civil services of the Union Government, the Constitution provides for the setting up of the Union Public Service Commission (UPSC). The number of members of the

Commission and the conditions of their service are left to be determined by the President, which means the government. It has since been decided that there shall be a chairman and six to eight members of the Commission. At present the strength of the Commission is nine including the chairman. The chairman and the members of the Commission are appointed by the President. The Constitution provides that at least half the members have to be persons who have served for at least ten years under the Government of India or a State Government. A member holds office for a term of six years from the date he joins duty or until he attains the age of sixty five years, whichever is earlier. The Chairman is ineligible for any future employment under the government, but other members are entitled to accept the chairmanship of the UPSC or of a State Public Service Commission. The conditions of service of members cannot be changed to their disadvantage after appointment. Their salaries, allowances, etc. are not submitted to the vote of Parliament as they are charged on the Consolidated Fund of India. It is also provided that the chairman or a member of the Commission can be removed from office by the President on the ground of misbehavior. It is only after an inquiry by Supreme Court, on a reference being made to it by the President. Pending the inquiry by the Court, the President may suspend the member concerned. A member including the chairman would be deemed guilty of misbehavior if he becomes interested in any monetary benefit in the discharge of duties as a member. It is also provided that the President may remove the chairman or any other member from office, on the ground of insolvency, infirmity of mind or body, or if he is engaged during the term of office in any paid employment outside
the duties of his office.

Functions of Union Public Service Commission
The functions of the UPSC as described in the Constitution are :
 i.   To advise the government on all matters relating to the methods of recruitment and norms to be followed in making appointments to civil services either directly or by promotion.
 ii. To advise on the suitability of candidates for appointment, promotion and transfer.
 iii. To conduct examinations for appointment to All India services.
 iv. To advise on disciplinary matters affecting government servants.
 v.   To advise on claims of legal proceedings instituted against a government servant and on the claims in respect of injuries sustained by a government servant while on duty.
 vi. To advise on any other matter specifically referred by the President.

There is also a provision for extending the functions of the Commission by Parliament not only in respect of government services but also in respect of services under local authorities, corporations or other public institutions. The jurisdiction of the Commission can be reduced by taking away some posts from its purview. For example, the Commission is not consulted in regard to selections for the following appointments:
 i.   membership or chairmanship of tribunals or commissions
 ii. posts of high diplomatic nature
 iii. Group C and Group D employees who constitute nearly 90% of the total number of the Central Government employees.

Composition of State Public Service Commission
Each state in India has a public service commission. The Constitution stipulates that the Governor determines the number of members of the Commission. At least half of the members of Commission are persons with a minimum of ten years of experience under the central or a state government. Members are appointed by the Governor for a term of six years or until the age of 62 years. Though the Governor is the appointing authority but members can be removed only by the President. Conditions of service of the members are determined by the Governor but the Constitution stipulates that these shall not be

revised to their disadvantage. Implicit in the foregoing are certain safeguards to ensure the Commission's independence.

A member of a state public service commission on retirement or otherwise can be appointed as chairman or member of UPSC, or as chairman of that or any other state service commission. As in the case of UPSC, the state public service commission submit its annual report to the Governor. The Governor goes through the report to be placed before the state legislature along with the cases in which the government has not accepted the advice of the
Commission. In such cases the government has to record the reasons for non-acceptance or rejection of the recommendations. The state public service commission performs the same functions in regard to its respective states public services as are performed by the Union Public Service Commission in regard to the Union Government.

A Joint Public Service Commission
Two or more states may agree that there should be one public service commission for them. If a resolution to that effect is passed by the House or by each house of legislature (where there are two houses) of the respective states. Parliament may by law provide for the appointment of a Joint State Public Service Commission to serve the needs of those states.

The chairman and other members of this joint commission are also appointed by the President.

Independence of Public Service Commission
The following constitutional provisions are intended to make the commission, both UPSC and SPSC, independent of any external influence :
  i.   Members are appointed for a fixed tenure of six years or until the attainment of sixty five years of age in the case of UPSC, and sixty-two years in the case of SPSC.
 ii.   The conditions of service of a member cannot be changed to his/her disadvantage during his tenure of office.
iii.   The removal of a member can take place by an order of the President on certain epecific grounds in consultation of the Supreme Court.
 iv.   The expenses of the commission are charged on the Consolidated Fund of India.
  v.   All regulations to be issued by the government excluding any matter from the purview of the commission will have to be laid before the Parliament or the state legislature for such modification as it may deem fit to make.
 vi.   Further employment of any member is severely restricted.

PERSONNEL ADMINISTRATION
Different Types of Personnel System
1. Bureaucratic System   3. Democratic System
2. Aristocratic System

Bureaucracy:
A **bureaucracy** is "a body of non elective government officials" and/or "an administrative policy-making group." Historically, bureaucracy referred to administration managed by departments staffed with nonelected officials. In modern parlance, bureaucracy refers to the administrative system governing any large institution.

Since being coined, the word "bureaucracy" has developed negative connotations for some. Bureaucracies are criticized when they become too complex, inefficient, or too inflexible. The dehumanizing effects of excessive bureaucracy were a major theme in the work of Franz Kafka, and

were central to his masterpiece *The Trial*. The elimination of unnecessary bureaucracy is a key concept in modern managerial theory, and has been a central issue in numerous political campaigns.

Others have defended the necessity of bureaucracies. The German sociologist Max Weber argued that bureaucracy constitutes the most efficient and rational way in which human activity can be organized, and that systematic processes and organized hierarchies were necessary to maintain order, maximize efficiency and eliminate favoritism. But even Weber saw unfettered bureaucracy as a threat to individual freedom, in which an increase in the bureaucratization of human life can trap individuals in an "iron cage" of rule-based, rational control.

Characteristics of Bureaucracy:
i.	Neutrality	v.	Scalar System
ii.	Impersonality	vi.	Fixed Qualification
iii.	Set Procedures	vii.	Separate Class
iv.	Specific jurisdiction	viii.	The legal framework

Principles of bureaucracy
   i. A permanent, rule bound conduct of official business.
   ii. Technical competence of Bureaucrats.
   iii. The Organization should be based upon hierarchy.
   iv. The rules regulating the conduct of business should be technical and based on norms.
   v. Complete separation of office property & personal property.
   vi. Complete absence of misuse of power & authority. Complete absence of appropriation of official position by the incumbent.
   vii. Formal & informal communication within the office.
   viii. Bureaucracy is inevitable in modern state. Its legal authority can be exercised in a variety of ways.

Evils of bureaucracy:
i.	Red Tapism	v.	Thirst for power
ii.	Indifference to public welfare	vi.	Formation of citadals
iii.	Despotism	vii.	Hatred for supervision.
iv.	Conservatism		

Suggestions for the removal of defects from bureaucracy:
i.	Decentralization of Authority	iii.	Appointment of worthy ministers
ii.	Limit to delegated legislation	iv.	Establishment of Tribunals

RECRUITMENT, TRAINING, PROMOTION, TRANFER, INCREMENT AND RETIREMENT
RECRUITMENT
The process of recruitment is one of the crucial tasks of modern Government and lies at the heart of the problem of personnel administration. The main test of any machinery of recruitment lies in its ability to recruit the right type of persons for the right jobs. Recruitment is the key to a strong public service, and, as Stahl puts it. the "cornerstone of the whole public personnel structure." J.D. Kingsley says. Public recruitment may be defined as that process through which suitable candidates are included to compete for appointments to the public service. It is thus an integral part of a more inclusive process — selection — which also includes the process of examination and certification.

Pfifiner and Presthus observe, "Personnel recruitment for the second half of the twentieth century will have to be geared to a nuclear physical world in which the solutions of human problems will demand

the utmost in human competence. The emphasis will be not only on finding, but on building men who are capable of performing the complex tasks of coordinating institutions growing even more complex."

One of the United Nations Report rightly states that the core design of progressive recruitment policy in any Organization is the reduction, if not the elimination of favouritism, nepotism and incompetence in the selection process.

The first country to develop a scientific system of recruitment was China where recruitment through competitive examinations was first introduced in the second century before Christ. In modern times, Prussia was the first to introduce a system of recruitment gradually replacing the 'patronage' system from 1857 onwards. In the United States, the 'Spoils system' was discarded in favour of the 'merit principle' by the Civil Service Act of 1883. In India, the merit principle has been in existence since 1853, when it was first introduced during the British rule.

The maladies of the spoils system were so glaring that the civil service commissions were designed as reform movements to uproot the spoils system. Recruitment was, thus, conceived of in purely negative terms — its task being mainly confined to 'Keep the rascals out.' According to J. Donald Kingsley, "The rascals have been kept out, perhaps, but so have many men of vision and ability." Recruitment policies therefore should be positive and calculated to attract the best and the most competent.

Elements of Positive Recruitment Policy
(a) Discovery and cultivation of the employment market for posts in the public services;
(b) Use of attractive recruitment literature and publicity;
(c) Use of scientific tasks for determining abilities of the candidates;
(d) Tapping capable candidates from within the services;
(e) Placement programme which assigns the right man to the right job; and
(f) A follow-up probationary programme as an integral of the recruitment process.

Forms of Recruitment
There are three main forms of civil service recruitment which are as follows :
(a) **Cadet System :** It is followed in many countries mainly for recruitment in the defence services. Under this system, recruitment is made at a young age, usually between the ages of 16 and 20 years, followed by a long period of institutional training during which the cadets are given instruction on courses in general education and specialized skills required for the jobs.

(b) **General Mental Ability :** The system which is followed in India and many European countries lays stess on recruiting young men and women after graduation in the liberal arts of basic sciences between the age group of 21 and 28 years. Under this the Government seeks to recruit candidates with broad educational attainments and mental ability. It is based on the concept of career civil service.

(c) **Expertise :** The Government recruits people with specific qualifications, technical knowledge or experience suited for the recruitments to various posts. The age-scale of recruitment varies from 18 to 45 years. This system is followed in the U.S.A. and in Canada to a certain extent. In this open recruitment from outside takes place at all levels of the hierarchy and Government service is not based on the concept of a career civil service. Eligible candidates from non-Governmental positions may also be recruited to Government posts, if required. This system has the same objectives as the 'lateral entry system'under which a certain quota is fixed for recruitment to the senior civil service posts from among outsiders not belonging to the same service through competitive selection. The 'lateral entry system' may be followed in recruitment on the basis of general mental ability.

Problems of Recruitment

The recruitment process involves a number of problems. They are as follows :-

1. Location of the Recruiting Authority — This problem is of such general importance that the recruiting authority is determined by the Constitution of the country itself. Generally, there are two methods of locating the recruiting agency. In one system, the power is vested in the electorate. This effective system of recruitment is usually adopted for policy making posts (i.e. chief executive) or in electing personnel of a local administration (i.e. village panchayats). The other system is where the power of appointment is given to a Government organization . Constitutionally the recruiting bodies called Public Service Commissions function as the personnel recruiting agency on behalf of the Government.

2. Methods of Recruitment — There are two main methods of recruitment, one is recruitment from outside and the other is through departmental promotion. The latter is one in which appointment to the higher posts in the service is made only from within the service itself either through a system of promotion or through restricted competitive examinations. It has been argued that the best method is to have direct recruitment in the lower grades and recruitment through promotion in the higher grades of service.

3. Qualifications of the Employees — One of the main problems in the recruitment system of modern civil service is laying down proper qualifications to suit the needs of the diverse tasks of administration. Broadly there are two types of qualifications required to public servants — general and special.

General Qualifications : The modern State lays down certain general standards for its employees. They relate to his civil status, domicile, sex and age. Since the growth of nationstates it has become a universal practice to recruit only citizens.The qualification of being domicile is generally laid down in public services in countries with federal systems. This qualification was first introduced in the U.S.A. to give the representation to each federating unit in the national services. In India, domicile rules were prevalent till 1957 and have been discarded now. Public service, until recently, was taboo for women in most countries, a restriction which gradually disappeared with spread of the influence of the doctrine of equality, and the increasing employment of women in all types of services. In India, all public services have been thrown open to women.

In countries like Britain and India where the concept of civil service as career has been adopted. comparatively lower age limits for clerical and semi-skilled jobs (between 16-20 years) and for administrative and technical (21 to 28 years) have been provided. But America which does not follow the Government service as a career principle prefers to recruit trained and experienced personnel in public service. Hence, the age scale there varies from 18 to 50 years.

Special Qualifications : In respect of educational qualifications, different countries prescribe different patterns. The British system lays down definite educational qualifications for entrants, with an emphasis on liberal education (classical and the humanities). In India, every university graduate can sit for the civil service competitive examinations and the subjects are so broad based as to include the widest range of university subjects. The American system being influenced by the doctrine of equality does not prescribe any educational qualifications. Anybody who qualifies in the competitive examination may enter the civil service. Technical experience is an additional qualification often laid down for technical services. This is essential to fill up technical posts in Public administration by professionals like doctors, engineers and lawyers. The public servant must possess executive ability, tact, resourcefulness, integrity, energy, faithfulness and capacity to get along with others. He should be a leader of men, and imbued with a sense of public interests.

4. Methods of Determining Qualifications: The following methods of determining qualifications have been adopted in most countries today :
(1) Personal judgment of the appointing authority,

(2) Certificates of character, ability and educational qualifications,

(3) Record of previous experience — educational and occupational, and

(4) Examinations.

Written Examination: Written tests may be either essay-type or objective type in form. Essay type is meant to examine the power and clarity of expression and the standard of logical thinking of the candidate. The objective type is usually employed to test the general knowledge and speed of thinking of the candidate. Either or both types are employed in civil service recruitment. Written tests fall under the following main categories :-

1. **Ability tests**.
2. **Aptitude Tests**
3. **Achievement Tests**
4. **Personality Tests**
5. **Oral Interview**

Recruitment System in India

In India, recruitment system is essentially based on the British pattern. Recruitment qualifications at the initial stage are not based on any kind of specialised knowledge or experience. The method of testing merit of the applicants is to assess the general knowledge of the candidate on a variety of subjects. Entrance to civil services is based on merit which is tested by competitive examinations open to all citizens irrespective of religion, sex, caste or creed. Direct recruitment to the administrative and most of the executive services is made on the basis of competitive examinations based mainly on the following :

(i) Civil Services Preliminary Examination (objective type) for the selection of candidates for the main examination;

(ii) Civil Services Main Examination (Written);

(iii) Interview of those candidates who have qualified in the written test at the final state of recruitment.

TRAINING

Training is increasingly becoming an integral part of the contemporary administrative system. Indicative of this growing realisation is the setting up of training institutions and devising of suitable training programmes in most countries. Training is the systematic imposition of skilled knowledge to all categories of civil servants for their advancement and efficiency in service.

According to William G. Torpey, training is "the process of developing skills, habits. knowledge, and aptitudes in employe* for the purpose of increasing the effectiveness of employees in their present Government positions as well as preparing employees for future Government positions." According to A.D. Gorwala, the general conception of training is a mixture of many elements. "In one sense, training means the imparting knowledge of facts and their inter-relations —knowledge essentially of specialised or professional nature....In another sense training involves the teaching of techniques which require the coordinated handling of tools and appliances and physical faculties rather than of ideas....In still another sense, training entails the formation of mental and physical habit patterns lo ensure that the same stimuli would always produce the same automatic responses; finally, training implies what the good gardener does to the growing sapling...."

Training moulds and shapes the entrants to internalise the organization al skills and character, and helps them to adapt to new environments.

Training helps lo build integrity and morale in the public servants by developing the requisite mental attitudes to questions of personal and public conduct. The role of training has been brilliantly analysed in the report of the committee on the training of civil servants (popularly known as the Asheton Committee Report), submitted to the British Chancellor of the Exchequer in 1944. The five main aims of training are :

(a) attainment of precision and clarity in the transaction of business;

(b) continuous adjustment to the changing socio-economic needs of our times;

(c) gain a broad overview of administration instead of narrow departmental vision;

(d) vocational training is needed to understand the nature of present tasks and to undertake new responsibilities;

(e) enliven the nature of routine tasks by making them more interesting.

Simon lays emphasis on three factors which have given particular urgency to training for Government service in developing countries. These are :

(a) the need for innovation in administration to meet the demands and challenges of our times;

(b) the rapid multiplication of Government tasks and duties; and

(c) the acute shortage of skilled manpower in developing countries.

Objects of Training : The main object of training is 'efficiency'. Efficiency has two important aspects —

(a) technical efficiency in the present work of the employee or some higher work to be entrusted to him in future,

(b) improvement of his morale. It is connected with the outlook and the attitude of the employee towards his work.

When he is able to see his work as an essential part of the larger effort directed towards the service and the well-being of the community, it acquires a new significance and importance for him and calls forth from him a better effort than before. An employee must understand the legal framework under which he is to operate. He must be provided with the basic knowledge of social sciences to understand the intricacies of social environment. With the knowledge of social sciences he can react with the environment favourably. Training must also aim to cultivate a new altitude and behaviour in human personality.

A very important object of training is the inculcation of or indoctrination into, an uniform technique or procedure of action. This is particularly so with the training of military officers who as a result of a common training at the staff college or academy can be pretty sure in the field how their brother officers would react to and behave in a particular situation.

Training Methods

Many types of training techniques have been evolved in various countries, mainly the U.S.A. The methods are as follows :

(a) **Training by Experience:** This consists in putting the new entrant to a job, and to leave him to learn from its work. In many departments the new trainee is first put in the registry so that he may quickly get a bird's eye view of the functions and the distribution of the work of the department as a whole, and then he is transferred from branch to branch at suitable intervals. Visits to other organization s doing similar or allied work, and tours of observation to semi-government bodies and corporations may also be organised. The Asheton Committee on the training of the civil servants recommended that promising officials in their early thirties should be granted 'Sabbatical leave' to pursue an approved course of instruction or undertake specific research work in the country or even abroad.

(b) **Lecture Method :** The lecture method is one of the commonest and oldest methods of training in classroom teaching. However, to make it more effective it should be supplemented with post-lecture debates and discussions, seminars, conferences and other audio-visual methods.

(c) **Syndicate Method :** It is now widely followed in training institutes in various parts of the world. In this method, a topic under instruction is assigned to small groups of trainees who are asked to conduct a thorough study of that subject under the guidance of the teachers. Syndicates are of two types — problem solving and knowledge gathering.

(d) **Conference Method :** This method gathers together the trainees from one or more departments into a meeting under the chairmanship of a senior officer. Discussion on selected problems, in which the trainees themselves are the principal participants, follows. The function of the Chairman is to guide the discussion by putting in an occasional word here and there. Two things are essential for the success of this method. Firstly, the trainees must form a homogenous group and they must feel free to put forward their several points of view. This method has been widely followed for supervising training in the U.S.A.

(e) **Case Study Method :** Under this method, an intensive and in-depth study of a particular subject is undertaken by narrating the actual field experience of working with the problem to trainees by experienced persons. The case narrative is first studied and then debated upon by the students with the teachers.

(f) **Sensitivity Training :** It is one of the latest methods of attitude conditioning of civil servants to groom them towards requisite modes of behaviour. Trainees are exposed to groups who make them aware of their peculiar character traits (if any), thus providing them an opportunity for self-analysis and improvement.

(g) **Role Play and Management Games :** Under this method, trainees are told to enact concrete roles related to their jobs as a part of demonstrative training. Management games are also similar in nature. After the play-acting a debate takes place on the character acting of each trainee in a discussion of creative criticism.

(h) **Incidence Method :** It is a problem-solving approach meant to develop decision-making skills in the trainees. Students are given instructions on basic administrative facts and problems. On the basis of these facts some problem areas are identified and students are asked to write solutions to these problems and defend their answers.

Types of Training
Training may be of several types. These are as follows :

(a) **Formal and Informal Training :** Formal training requires classroom lectures, seminars, debates and discussions combined with tutorials and work projects. It may be given at a particular venue during a specified period, after which a degree or certificate may be awarded to the trainee. It may be full-time or part-time, pre-entry or post-entry in nature. Informal training is training by experience which the employee gradually acquires in the course of the actual doing of the work. This has been the traditional method of training in Public administration and still holds the field to a large extent. In the case of average employee, it may lead to the formation of bad habits and breed much frustration and discouragement. Formal training is free from the above defects.
(a) a test of intellectual ability and scholastic attainments through written examinations on subjects of the candidates' choice (optional papers);
(b) a written test common to all candidates, meant to test the capacity of clear and logical thinking, memory, expression and general knowledge (compulsory papers); and

(c) an interview to assess a candidate's personal qualities.

Recruitment by promotion is also made at lower levels of services. Following the recommendations of the Kothari Committee, the recruitment to the All-India and Central Services (Class I) is made on the basis of a combined civil services examination common to all the services in three stages :

(i) Civil Services Preliminary Examination (objective type) for the selection of candidates for the main examination;

(ii) Civil Services Main Examination (Written);

(iii) Interview of those candidates who have qualified in the written test at the final stage of recruitment.

(b) **Short and Long-Term Training :** The difference between them is a matter of the duration of the training course and calls for no comment except that such duration depends upon the ease or difficulty of the subject matter of the training and the exigencies of the service. During times of emergency like war, for example, the demand for short term training of new recruits, military as well as civil, is insistent.

(c) **Pre-entry1 and Post-entry Training :** Pre-entry training seeks to prepare future recruits for the service. In a sense, all education in schools and colleges is a sort of pre-entry training seeking to prepare the students, among other things, for State service. The term pre-entry training is, however, limited to referring vocational or specialised training. In India, there is hardly any specific pre-entry training scheme in existence. In the U.S.A., a rather wide pre-entry training scheme exists (for candidates selected for administrative and managerial positions) where. students in the course of their technical education undergo internship or apprenticeship in selected organization s before taking up formal employment. On the other hand, post-entry training refers to training after appointment and not before it. It may be formal or informal in structure and content. Lectures may be combined with work experience.

(d) **Departmental and Central Training :** Training is departmental when arrangements are made for it within the department or the office itself. Such training is usually imparted by the more experienced officers of the department. For less specialised varieties of training, specially for the higher officers, there are central training institutions. Sometimes individual departments also maintain their central or regional training institutions, e.g., the police training schools and colleges in many of the Indian States.

(e) **Skill and Background Training :** The purpose of skill training is to instruct the employees in some specialised technique or a complicated system of law or procedure, e.g., the teachers' training is primarily intended to develop skill in the art of teaching. Training of craftsmen and manipulative employees is almost entirely a skill training. Background training, on the other hand seeks to teach certain subjects which help the trainee to understand the political, administrative, economic and social background and consequences of his work. Its purpose is to broaden his mind generally. The preliminary training imparted to the cadets of the administrative class at the Musoorie school is an example of background training. The Asheton Committee suggested some more kinds of training — centralised training, training for mobility, initial training, training for supervision, training for higher administration, vocational training, background training, further education, etc.

Organization of Training

The different channels through which training can be imparted are as follows :

(i) Senior officers of various departments may themselves undertake the responsibility of training juniors.

(ii) Training may be conducted in the organization by outside institutes.

(iii) Employees may be sent to outside institutions or universities to get training. Both formal and informal training is necessary if the employee is to specialise and keep an active interest in his job.

Training in India

Training for civil servants in India must be attuned to the following goals in addition to make its recipients competent and efficient:

(a) Training must inculcate in the recruits respect for the traditions of parliamentary democracy which India has adopted. This point needs emphasis in view of the authoritarian basis of the Indian administration in the past.

(b) Training should aim at fostering an essentially national outlook, combating in the process, the feelings of regionalism, communalism, casteism, etc

(c) It should foster emotional integration with the people.

(d) As civil services are mostly manned by urban people, having little knowledge and appreciation of rural life and problems, training programme should take special note of this factor, so that the employees may not ignore the realities of situation in rural areas. Training must provide rural bias to the employees.

(e) India's destiny is linked up with the successful implementation of the successive Five year plans. It should be an important aim of training to make the employees 'Programme oriented'.

According to the Planning Commission, "Next to recruitment the training of personnel has considerable bearing on administrative efficiency. Each type of work in the Government requires a programme of training suited to it. In general in all branches of administration, it is necessary to provide for the training of personnel at the commencement of service as well as at appropriate intervals in later years. In this connection, we would emphasise the importance of careful grounding in revenue and development administration for recruits to the Indian Administrative Service and the State Administrative Services."

Post-entry training of civil servants in India is the responsibility of Central and Stale Governments. This initial post-entry training is imparted in two ways—institutional training (for Administrative. Policy, Audit and Accounts, and Income tax services); and training under the guidance of senior and experienced officers (for Defence, Accounts, Customs, Postal services, etc.) There are various central secretariat training schools which train new recruits to the Central Secretariat Service. Systematic facilities for post-entry training do not exist for the class II and subordinate services. Here the emphasis is on on-the-job informal training. However, some departments like the railways and posts and telegraphs run staff colleges to train their staff. Various administrative bodies, however, regularly conduct refresher courses for public servants. The National Academy of Administrration conducts refresher courses for officers of the I. A.S. with ten to fifteen years service. The refresher course is meant to impart specialised training in administrative thought and practice. Refresher courses for senior civil servants are also organised by the Indian Instituteof Public Administration.

Young recruits to the Indian Civil, Police and Foreign Services get their initial on probation training at the National Academy in Mussoorie before proceeding to other specialised institutions to get their particular service-oriented training. An important consideration for introducing a common introductory five-month course in Mussoorie for all civil service recruits was to enable them to have a knowledge of the political, constitutional, economic and social context in which the administration functions, besides acquainting them with the machinery of Government and the broad principles of Public administration. A new pattern of sandwich type of training was introduced for the I.A.S. probationers at the National Academy in July 1969. Being problem oriented the training is based largely on the experience and the observations of the probationary I.A.S. officers in the field of district administration during practical training in the States.

For top business and Government executives, the Administrative Staff College, Hyderabad, provides a four-month course at the college. The objective of the staff college is the development of executive and managerial practices of the administrators, both in business and industry as well as in Government.

Many training schools have been set up in several States to train recruits to the higher levels of the state services.

In India, institutionalized training programmes have greatly expanded in number, scope and nature. Refresher and orientation courses, seminars, workshops and conferences form the major techniques of in-service training of civil servants. The Central Government grants study leave liberally to enable them to undertake post-entry training in service.

The major flaw in our training system is the lack of a sound and integrated policy on employees' training. Training facilities are not equal in all Government departments nor are coordinated in a unified pattern. Another disturbing fact is that no class relationship exists between training and promotion; hence many employees are not often encouraged to undertake training. Flaws also exist in the content of the training courses which need to be modified in keeping with the advancement in modern administrative thought and practice as well as the changing socioeconomic climate of the administration.

Training is thus, an action process by which capabilities of the personnel can be improved, to meet the organization al needs in terms of their knowledge, skills, and attitudes required in performing organization al tasks and functions, within relatively short period of time.

The content and techniques of training in any country cannot be static, but flexible and dynamic in character, changing according to the socio-economic conditions of society and the needs and aspirations of the people.

PROMOTION
The word 'Promote' is derived from the Latin expression pramovere, meaning 'to move forward'
The dictionary defines 'promote' as
1. To exalt in station, rank or honour; to elevate; to advance.
2. To contribute to the growth or prosperity of (something in course); to further the progress of, to promote learning.
3. To advance from a given grade or class as qualified for one higher.

Promotion, in the words of L.D. White is "An appointment from a given position to a position of higher grade, involving a change of duties to a more difficult type of work and greater responsibility accompanied by change of title and usually an increase in pay."
In fact, promotion refers to advancement in rank and status, usually (not necessarily immediately) accompanied by increase in emoluments. A good promotion system is useful to the employees individually as well as to the administration as a whole. According to the Fulton Committee, "The right promotion at the right time is an essential part of the process of developing to the full talents of men and women in the service."

Promotion may be looked at from two points of view. From the point of view of employee, it is advancement from a lower grade or class of the service to a higher one carrying a larger salary and higher duties and responsibilities. While from the point of view of the employing authority it means filling up the higher posts by the selection of the fittest persons from within the service. As a matter of principle, public interest rather than the interest of individual employees should be the ruling consideration in making promotions.

Need for Promotion
The need for promotion arises from a variety of factors. These factors are as follows :
(a) Promotion is a reward to an employee which entails a change in his position and status.
(b) An Organization is enabled to retain the services of its personnel by the device of promotions. Man is a growing creature and if his need for recognition and advancement is not adequately satisfied by his organization, he is apt to seek change, thereby causing a large turnover of staff.
(c) System of promotion is essential to help build morale and efficiency in public services. Unless the civil service has adequate promotional avenues, it will not be able to attract ambitious and talented young men and women towards it.
(d) A sound policy of promotion fosters a feeling of belongingness in the personnel, contributes to a measure of continuity in policies and practices and leads to building up of traditions and conventions.
(e) A proper promotion system helps in retaining the services of the ablest amongst its employees and also in giving them an opportunity to improve their capabilities and qualifications.
(f) A promotion system must be based on the principles of equity and fair play. If promotions gel governed by favoritism, unjust prejudice, nepotism and corruption, the 'left outs' will in all probability continue floating in the same Organization nursing grievances against employers.

The consequent low morale affects organizational productivity.

Essentials of a Promotion System
W.F Willoughby lays down the following conditions as a basis of a promotion system;
1. Adoption of standard specifications setting forth the duties and qualifications required for all promotions.
2. The classification of these positions into distinct classes, series, grades and services.
3. The inclusion of all positions (except those of a policy-making character) into this classification.
4. The adoption of the principle, as far as possible, that superior positions will be filled by pro-motion from lower positions.
5. The adoption of principle of merit in determining the selection of employees for promotion.
6. The provision of adequate means for determining the relative merits of employees eligible for promotion.
The first and second conditions ensure adherence to the merit principle. The third and fourth would ensure that all employees are eligible for promotion. The fifth emphasizes that promotions be made on the criterion of merit. The last factor stresses the adoption of a scientific method.

Principles of Promotion
The need for principles of promotion arises because the opportunities for it are limited. If there were enough of higher posts to permit the promotion of everybody entering service up to the highest in due course, a search for principles of promotion would be unnecessary. But the administrative structure for obvious reasons has to be pyramidal, broad at the base and tapering towards the top till it ends at a single point. The result, therefore, as L.D. White puts it, is that there 'arises the underlying and irreconcilable conflict in any promotion system. Large number of employees, normally ambitious and intent on success....and under heavy economic pressure with the passing of years face a limited number of higher positions in which vacancies occur at relatively irregular and infrequent intervals. No form of promotion system can solve this dilemma'. A large number of public servants, therefore, cannot get promotion to their satisfaction. Nothing is more destructive of the morale of public services than the impression that promotions are capriciously made. Hence, principles of promotion is very important in the study of administration.

There are two main principles of promotion, namely, Seniority and Merit. They may be applied either as alternatives or simultaneously.

Seniority Principle : The seniority principle is widely prevalent as a method of promotion in most countries. According to Dr. Finer, "It is automatic, and avoids the need for making invidious distinctions between one person and another, of placing the young over the old, of measuring the responsibility for the result of promotion."

The principle of seniority is that the length of service should determine the order of precedence in making promotion.

Merits :
(a) It is objective, easy to follow, and gives everyone a chance.
(b) There is little room for nepotism or favouritism in its application.
(c) It determines the order of precedence according to age and experience which is in conformity with the established usage in society.
(d) It reduces unhealthy rivalry or bitterness in the Organization thereby promoting harmony and increased morale in the services.

Drawbacks :
(a) It does not necessarily lead to the selection of the best among those available and eligible for promotion.
(b) Seniority does not necessarily coincide with age. Specially in a grade which is partly recruited directly and partly by promotion and so it may not be able, after all, to prevent younger people being placed over the older.
(c) It leads to demoralization and complacency in service, among the more talented officials.
(d) Unless the proportion of higher posts to the lower is large, and vacancies in the former arise at regular and uniform intervals, the principle of seniority is unable to ensure the reaching of the higher positions by every officer and his holding it for a reasonable period. According to Gladden, "All members of a grade are not fit for promotion, promotions are usually few and far between an abnormal rather than a normal process; while changes in personnel are most likely to be subject to irregular fluctuations."
(e) Even if the principle of seniority were free from the above defects and could offer universal satisfaction to the claims of all for promotion, the question would remain whether it is a rational and just principle of promotion.
(f) The principle may be successful for the lower posts but for the higher ones special type of qualities may be required.

In principle, authoritative opinion seems to be agreed, that
(a) In promotion to the higher posts, merit should be the only consideration to the total exclusion of seniority;
(b) In promotion to middle posts, merit should be the determining factor and seniority a secondary one; and
(c) In promotion to lower posts, seniority should carry weight, but even here care should be taken to ensure that exceptional merit is rewarded by quick promotion.
In spite of all the arguments against it, seniority is still firmly entrenched as a principle of promotion in all except perhaps the highest ranges of the service.

Merit Principle : The principle of merit is the rival of the principle of seniority. The case of this principle in determining promotion is practically unassailable. This ensures that the best person is promoted to the higher post 'based on specified criteria alone'. Merit is, however, a complex concept and includes besides intellectual attainments as revealed by degrees and examinations, several other factors like personality, capacity for leadership, strength of character and so on. It is. therefore, not easy to measure it objectively, and several methods for testing it have been suggested.

Methods of testing Merit

The four main methods to ascertain merit are as follows :

(a) **Written Examination :** Written examination can be conducted when there is an open competition or when there is limited competition or to ensure a minimum pass. Examination is more or less an objective method of determining merit. The merits of the system are that it eliminates chances of corruption, favouritism and arbitrariness. Apart from it, memorising things for taking an examination is extremely irksome to older employees. It is used especially where the number of candidates from whom selection is to be made is rather large and where specialised knowledge is an important requisite for the posts to which promotions are to be made. Promotional examinations are generally followed at the lower levels of the public services. It may be competitive or qualifying in nature.

(b) **The discretion of the Head :** It is an old and respected principle. The determination of merit for promotion may be left to the judgments of head of the office or department concerned, who has personal knowledge of the various employees and their work in his organization . Such personal knowledge is, however, possible only in small organization s, and the correct use of discretion depends upon the integrity of the head concerned. This also helps the departmental head to maintain discipline and authority in the department. It has the advantage of being both simple and comprehensive. It is highly subjective and may easily create the impression of favouritism or arbitrariness in promotion among employees. It often leads to unhealthy rivalry and causes considerable ill-will among those who may miss out for promotion. The departmental head is unable to keep a close touch with their subordinates or to form an accurate opinion of their merits and capacities as public organization s are too vast and populous in nature.

Inspite of its criticism, this system is provided with certain safeguards. The departmental head might be assisted by a promotion board, constituted by him from amongst officials of his own department. This board may review the record of the concerned employee. Moreover, a system of appeals can also be provided. The actual promotion should be in the hands of the head of the department concerned but the appeal against wrong promotions should be heard by some outside agency.

(c) **Efficiency Rating :** The system of efficiency rating originated in the U.S.A. for scientifically assessing the service record of public employees. It is based on two main factors, namely, the classi-fication of all governmental posts and the 'mechanical evaluation of workers' qualities. Efforts are made to judge different traits of employees. In large organization s where the head cannot personally know all the employees, such records and ratings furnish a valuable aid to his judgments in selecting for promotions.

There are three major systems of efficiency rating. These are as follows :

(i) **Production Records :** They are used to assess the work of a mechanical character such as those of typists, stenographers and machine operators.

(ii) **The Graph Rating Scale System :** Assessment is based on certain categories of trails of an employee's character such as accuracy, initiative. resourcefulness and dependability. Each quality is graded into different classes like 'exellent', 'very good', 'satisfactory', 'unsatisfactory'.

(iii) **Personality Inventory System :** It includes a broad list of traits of human character relevant to employment. From these the rating officer has to select only those items which are relevant to the characteristics of the employee.

(d) **Viva Voce :** The written examination, personal judgments and efficiency rating can be combined with viva voce tests which can be of open and limited nature. The viva test gives the advantage of having a lotal look at the person and his work by a group of seniors competent to judge.

Promotion should be regulated on the following conditions:

1. Length of service;
2. Proved efficiency and special merit;
3. Regularity of attendance;
4. Integrity and good behaviour;
5. Seniority should be a predisposing factor for promotion and not predetermining factor.

In fact, a compromise of the two extremes of pure seniority and pure merit should be followed. However, there are certain criticisms levelled against promotion. These are as follows:
(a) Poor reporting system
(b) Promotion granted on extraneous considerations
(c) No suitable criteria to judge merit
(d) Delayed promotions
(e) No policy regarding the nature and quantum of posts
(f) Many administrative hurdles in the promotion
(g) Neglect of staff associations
(h) Unequal opportunities for promotion
(i) Promotions are made within classes and often within cadres of a class.

Promotion in the public services in India is based on the seniority and/or merit principle. For selection posts (largely in Class I and Class II) the criterion of selection is merit. The officers considered for promotion are arranged in order of seniority, their number being limited to from three to five times the number of vacancies available for promotion. In the case of non-selection posts (Class III and IV), promotion is made on the seniority principle, unless any one is otherwise rejected or considered unfit. Generally, the basis of promotion has been seniority at lower levels, seniority-cum-merit at the middle ranks and merit at the senior grades of the civil service.

Sound Promotion System
There are certain features which give rise to sound promotion system. These are :
(a) Judicious selection of able young people with the required educational background and the necessary attributes of character and motivation.
(b) The system followed in the confidential reports on employee's performance should facilitate assessment of performance, personal qualities of workers and identification of the true potential of the candidates with as much objectivity as possible.
(c) Careful training should be imparted to them in those aspects of administration which cannot be acquired beforehand.
(d) During the period of probation, they should be assigned a variety of tasks by which their aptitudes can be tested and after that the candidates may be retained on a career basis or released.
(e) Rational forward planning of their assignments to ensure their maximum utilization and the proper development of their aptitudes.
(f) Promotions should be linked to training and professional expertise and should ensure opportunities for growth and development in career.
(g) Improving their qualifications by in-service training or at a later stage of their service, by refresher courses.
(h) An open system of promotion permitting the ablest officers to serve in the higher posts, whether in headquarters or the field.
(i) To avoid any kind of subjectivity, promotion boards should be established and take recourse to a system of appeals where necessary. For this purpose an appeal board should be built. A representative of the head of the Organization concerned should present the case of the ' Organization before the appeal board.

FINANCIAL ADMINISTRATION

INTRODUCTION

Finance is the fuel for the engine of Public administration. Mr. Lloyd George is reported to have once remarked that Government is finance. This is quite correct, because almost everything the Government does, requires money. According to Kautilya, "All undertakings depend upon finance. Hence, foremost attention shall be paid to the treasury."

Financial administration consists of those operations the object of which is to make funds available for the Governmental activities, and to ensure the lawful and efficient use of these funds. These operations are performed by the following agencies :
(1) The Executive, which needs funds;
(2) The Legislature, which alone can grant funds;
(3) The Finance Ministry which controls the expenditure; and
(4) The Audit which sits in judgments over the way in which the funds have been spent.

Financial-administration is a dynamic process, which falls into five well defined divisions namely :
(1) Preparation of the budget, i.e., of the estimates of the revenue and expenditure for the ensuing financial year,
(2) Getting these estimates passed by the Legislature called 'Legislation of the Budget',
(3) Execution of the budget, i.e., regulation of the expenditure and raising of revenue according to it,
(4) Treasury management, i.e., safe custody of the funds raised, and due arrangement for the necessary payments to meet the liabilities; and
(5) Rendering of the accounts by the executive and the audit of these accounts.
According to L.D. White, "Fiscal management includes, as its principle sub-divisions, budget making followed by the formal act of appropriation, executive supervision of expenditure (budget execution), the control of the accounting and reporting system, treasury management and revenue collection and audit."

So far, the best known machinery for fiscal management is the budget system.

BUDGET

Concepts : The nineteenth century encountered the growth of the problem of public finance on a gigantic scale. The problem arose, owing to the growth of the functions of the State in all directions, the establishment of parliamentary control over public finance, the necessity of check in financial administration to prevent fraud and waste, and to secure the highest possible results from public expenditures, and the growth in credit operations which resulted in the creation of central banks as the bankers of the Government. To solve this problem, there arose a new system in England, called Budgetism or the Budget system, which was wholly unknown until 1803.

Etymologically speaking, the word 'budget', derived from the French word 'bougette', means a sack or pouch from which the Chancellor of Exechequer used to take out his papers, for laying before the Parliament, containing the Government's financial scheme for the ensuing year. Now, the term 'budget' refers to the financial papers, certainly not to the sack. The budgets began to develop in the late middle Ages, which were characterised by the presence of absolute regimes in England as well as in Europe. The budget was a statement of revenue and expenditure, and was regarded as the business affair of the King and secret of the State. This was so because the revenue was derived from the King's domain. It was not until the revolution of 1688 that the principle of 'no taxation without representation' could be generally recognised. Even at that period all Government expenditures were not subject to parliamentary control. Full legislative control of the purse strings is the feature of this century.

There is no unanimity among writers regarding the definition of the term 'budget'. It has been defined differently by different writers of public administration.

Dimock — "A budget is a financial plan summarising the financial experience of the past stating current plan and projecting it over a specified period of time in future."

Munro — "A plan of financing for the incoming fiscal year. This involves an itemized estimate of all revenues on the one hand and all expenditures, on the other."

W.F. Willoughby — According to him, a budget comprises of three components:

(a) A statement of the sums required for the due conduct of public affairs during the period to which such estimate relates;

(b) An estimate of the probable income from revenue and loans on the basis of existing provisions of law regarding public dues and credit operations;

(c) A statement showing conditions of treasury in terms of assets and liabilities.

So, it is very clear that the budget is the cornerstone of financial administration and the various operations in the field of public finance are correlated through the instrument of budget.

Budgeting involves :

(1) Preparation of the estimates,

(2) Collection and custody of funds,

(3) Disbursement and control of expenditure,

(4) Recording of all the transactions whose legality and regularity are duly varified and reported to the Legislature by an independent audit.

Budgeting serves as a powerful tool of coordination, and, negatively an effective device of eliminating duplication and wastage. These ends are served by devices, such as, justification of estimates, supervision of the use of appropriated funds, timing of the rate of expenditures, and the like. It inculcates, or should inculcate, cost-consciousness and this feeling should permeate all levels of administration including the operating level. Budgeting presents an opportunity for evaluating programmes and policies, thereby identifying obsolete or unnecessary activities and giving a call for their discontinuance. It is, in this sense, pre-audit. Harold D. Smith sets out eight budgetary principles to accomplish the above tasks.

These principles are as follows:

1. Executive Programming: Budget, being the programme of the Chief Executive, goes hand in hand with programming and consequently must be under the direct supervision of the Chief Executive.

2. Executive Responsibility: The Chief Executive must see that the departmental programmes fulfil the intent of the legislature and due economy is observed in the execution of the programme.

3. Reporting: Budgetary process like preparation of estimates, legislative action and the budget execution must be based on full financial and operating reports coming from all levels of administration.

4. Adequate Tools: The Chief Executive must have an adequately equipped budget office attached to him, and an authority to earmark monthly or quarterly allotment of appropriations.

5. Multiple Procedures: The method of budgeting may vary according to the nature of operations. Thus, the budgeting of quasi-commercial activities may be different from that of purely administrative activities.

6. Executive Direction: Appropriations should be made for broadly defined functions of the department allowing, thereby, sufficient discretion to the executive to choose means of operation to realise the main purpose.

7. Flexibility in Timing: Budget should have provisions to accommodate necessary changes in the light of changing economic situation.

8. Two-Way Budget Organization; Efficient budgeting depends upon the active cooperation of all departments and their sub-divisions.

Utility of Budget: Budget today has become one of the primary tools of financial as well as developmental administration. It is a management tool and sets out programmes and projects for socio-economic development. The utilities of budget are as follows :
(a) **As a Tool of Financial Control**
(b) **As a Tool of Administration**
(c) **As adminstration of Public Policy**
(d) **As a Tool of Accountability**
(e) **Budget and Planning**
(f) **Informative**
(g) **Role in Performance Evaluation:**

FORMS OF BUDGET
Budgets can be classified into various categories viewed from different view points. A brief description of the major budget types is given below :

Long-term Budgeting : It is contended that a country's needs for a single year cannot be intelligently budgeted for, without consideration of its long term needs. Many of the improvements needed, e.g., the strengthening of defences, extension of communication, economic and industrial development, etc., are costly and cannot be effected within a single year. Long-term budgeting is, therefore, essential to make suitable provision for these.
Steps :
(1) To determine and forecast the needs of the counting over a period of several years, and the outlay required to meet them.
(2) To arrange the various improvement projects in order of their relative priority.
(3) To explore 'the possible sources—taxation, savings, borrowings, etc., of raising the amount of outlay required.
(4) To prepare a balanced programme for the entire period, which should contain the various items of development agreed upon, and should also be flexible enough to permit modifications according to the prevailing circumstances.
(5) To incorporate in each year's annual budget a portion of the long-term budget according to the time-schedule, and to get it duly passed by the legislature, to do the necessary revision for the future year's programme in the light of the prevailing circumstances, and to add the forecast for an additional year for the one which has been transferred to the current budget.

Balanced Budget: When the estimated amount of revenues and expenditures is equal, it is called a balanced budget. But if the anticipated revenues fall short of the anticipated expenditures, it is termed as a deficit budget. Conversely, if a budget shows more income than expenditure, it becomes a surplus budget. Most of the countries, however, resort to deficit budgeting. A deficit budget is an indication of the country's economic progress, but the deficit should not be too much. The deficit is generally covered by printing more currency notes but if there is too much of release of national currency, it leads to high inflation. But balanced budget has been rejected on many grounds. The grounds are:

(a) The balanced budget hinders the provision of the much needed goods and services for the community.
(b) It induces extra caution on Government spending.

Cash and Revenue Budgets : Wherein the estimate of income and expenditure is shown to be actually received and spent in one financial year, it is a cash budget. In U.K., U.S.A. and India there is a system of cash budgeting. If the income and expenditure, accruing in one financial year, are shown in the budget of that financial year but may not be actually realised, it is called a revenue budget. In France and other continental countries, there is a system of revenue budgeting.

Line-Item Budget : The budgetary system that evolved in England during the 18th and 19th centuries, was viewed primarily as a legal and accounting instrument, and the budget agency had the main responsibility for consolidating money estimates of expenditure needs from the various departments each year. This conventional pattern of Government budgeting serves the sole purpose offiscal accountability and is a document for parliamentary control of the financial operations of the Government. The entire expenditure is presented for grants. Every Ministry presents one demand for its own requirements and separate demands for each of its subordinate organization s. The demands for grants, thus follow the organizational pattern and the details in each of these demands are on the basis of object wise classification. This type of budget is known as the line-item budget with its focus on itemized classification of expenditure. It provides the basis for maximum control. We still adhere to this type of budgeting system to a great extent.

Criticism : The criticisms are as follows:
(a) It does not help decision makers to evaluate unit costs and programme accomplishment.
(b) It cannot show the relationship between programme inputs and outputs.
(c) It does not show the existing personnel situation and the condition of management and equipment.
(d) It has no educative value to citizens.

Executive Budget: It is a 20th century phenomenon. It is based on the principle of 'executive leadership' which means entrusting the formulation of the' estimates, and the execution of the budget, as approved by the Legislature, to the chief executive. The executive budget in this way facilitates more accountability of administration against any deficiencies in financial procedures, as well as disappointing programmer results.

Lump-sum Budgeting: Under it, transfers of funds may be made not only between objects but also between Organization units and approved work activities. As expenditure abuses were corrected in the first years of executive budgets some use was made of the lump-sum principle. It provides a quick idea of the overall distribution at the national level and the allocation can be amended by the Legislature sector by sector.

Programme Budget: This budget is considered as a step towards performance budgeting. Here the focus was on achieving work results. In the U.S.A., it came to be known as the 'management approach' to budgeting rather than the accountant.

Performance Budgeting : After World War II, attempts to make the management approach effective were intensified and performance budgeting was urged. Much of the stimulus came from the first Hoover Commission. The commission recommended that "the whole budgetary concept of the federal Government should be refashioned by the adoption of a budget based upon functions, activities and projects", and designated this the 'performance budget'. A performance budget presents public expenditure in terms of functions, programmes and
activities, and, thus, stands out from the line-item budget which only emphasizes staff, furniture, equipments, etc. A performance budget starts off by analyzing the objectives of an Organization and deciding under what general headings its expenditure can be best analyzed functionally. A function, in this context, means a major grouping or division of the total organized effort which is directed towards the accomplishment of the organization's purpose. A programme is a segment of a function, whereas an activity or project is a division of a programme into homogeneous units of work. These terms may be explained with the help of an illustration. The Department of Education has as its function 'Education'. A programme under this function may be 'primary education'. The project and activity under this programme could be construction of a school building and training of primary school teachers respectively.

Planning-Programming-Budgeting (PPB) : Due to the shortcomings of performance budgeting, the concept of Planning-Programming-Budgeting evolved in the U.S., in the 1960's. PPB was practiced by the American automobile company — 'General Motors' as early as in 1924. Later on in 1964 PPB was adopted for the entire department of defence. Impressed by its success President Johnson prescribed PPB system for the entire federal budget in 1965. Planning is the determination of the basic goals of the Organization and the selection of the programmes best calculated to achieve these goals. Programming entails the scheduling and execution, as efficiently as possible, of the specific projects required to implement these programmes. Budgeting is the process of converting the goals, programmes and projects into money estimates for review within the administrative branch and final action by the legislation. According to Nigro, "Planning-Programming-Budgeting was an attempt to integrate budgeting with overall planning for the Government as a whole, and to make the planning, execution, and evaluation of Government policies as rational as possible." This PPB system is viewed as an input-output system based on rigorous analysis seeking to discover the relative advantage of given solutions compared widi other possible ones. The centre for PPB system is the budget, the methods used are planning and decision making, the purpose is a more viable economy and improved co-ordination. Hence the four main elements are :

(i) clear goals for the Government and its programmes;
(ii) the identification of future-year implications;
(iii) the analysis of all pertinent costs; and
(i) the systematic analysis of alternative courses of action and anticipated outcomes.

It involves laying down of socio-economic objectives at each level and for each project and programme in the light of national objectives. It stresses identification of alternatives with their respective cost-benefit analysis. Further, it requires continuous inter-agency co-ordination and periodic reviews and evaluations in terms of national goals.

Limitations:
(i) It was essentially of an analytical nature which did not appeal to the bureaucrats.
(ii) It failed because it did not penetrate the vital routines of putting together and justifying a budget.

This system can be found in some of the Scandinavian and Western European countries.

Zero-Base Budgeting (ZBB) : It originated in U.S.A. It was developed by Peter.A. Phyrr in the Texas Instruments Company. In 1977, the U.S. President Jimmy Carter, adopted ZBB in the federal Government.ZBB can be defined broadly as an evaluation of all programmes and expenditures of every year requiring each manager to justify his entire budget request in detail.

Steps : The introduction of ZBB in an Organization involves the following steps :
(a) Identification of decision units,
(b) Decision packages,
(c) Ranking of decision packages in terms of cost benefits,
(d) Formulation of Budget, and
(e) Follow up and Revision.

Peculiar Features: It has some peculiar features.
These are:
(i) It is based upon a comprehensive analysis of priorities, goals and objectives which makes it more realistic;
(ii) Cost effectiveness can be enforced in a better way as the ZBB requires the evaluation of operational activities in terms of costs and benefits;
(iii) It provides an effective mechanism for planning and control functions. Targets are specified;

(iv) It ensures better participation of executives, which leads to better communication, development of inter-personal relationships and better learning and personnel development.

Problems: The implementation of ZBB poses certain Problems. These are :
(i) The problem of effective administration and communication is bound to arise.
(ii) It requires costly infrastructure and trained personnel.
(iii) Ranking of decisions poses another problem.
(iv) It requires handling of large data-making which is a tough task.
(v) The role of human bias in the selection of decision packages cannot be ruled out.

In India, the decision of introducing ZBB was taken in 1986 by Mr. V.P. Singh, the then Finance Minister. ZBB was adopted by various departments and Ministries at the Union level in 1987- 88. All the above types of budgets are in use in some or the other form and often in combination in the Governments of today.

Commencement of the Financial Year
Period Countries
(a) 1st April India, England and most of the Commonwealth countries.
(b) 1st July U.S.A., Australia, Italy, Sweden.
(c) 1st January France and other Continental countries.

Budgetary Process
The budgetary responsibilities of a modern Government are vast and grave. Article 112 of the Constitution of India refers to the lay ing of an Annual Financial Statement,' which is a statement of the estimated receipts and expenditure, of the Government of India for the ensuing financial year. The Annual Financial Statement consists of (a) Statement of Revenue, (b) Statement of Expenditure, and (c) an overall statement. This Annual Financial Statement shows the sums charged on the Consolidated Fund of India and the money required to meet other expenditures.

The budgetary process in India involves the following operations :
- Preparation of the budget
- Legislative authorization of the enactment o of the budget
- Execution of the budget
- Accounting
- Audit
- Railway Budget

FORMULATION OF THE BUDGET
There is no single budget for the entire country; States have their own budgets, the Constitution being federal. Even at the Union level, there are two budgets — (i) the General Budget and (ii) the Railway Budget. The Railway budget was separated from the General budget in 1921. The advantages of this arrangement are, first, that a business approach to the railway policy is facilitated, and, secondly, the railways after paying a fixed annual contribution to the general revenue of the country, can keep their profit for their own development.

Formulation of the budget involves, in India, the following operations which follow in the order given below:
(1) Preparation of the preliminary estimates by the heads of offices.
(2) The scrutiny and review of those estimates by the controlling officers.
(3) Scrutiny and review of the revised estimates by the Accountant-General and the administrative department.

(4) Scrutiny and review of the revised estimates by the Finance Ministry.
(5) The final consideration of the consolidated estimates by the Cabinet.

The responsibility for the preparation of the budget estimates rests on the executive who is responsible for running the administration and is, therefore, in the best position to say what funds are required for it. The Finance Ministry has the overall responsibility for the framing of the budget, but it is the administrative ministries which have the detailed knowledge of administrative requirements. For incorporating the plan priorities in the budget, the Finance Ministry has to be in close touch with the Planning Commission. Also, the Comptroller and Auditor-General comes into the picture since it is he who makes available the accounting skills — so necessary for the preparation of the estimates. The work in connection with the preparation of the budget estimates begins 6 to 8 months before the commencement of the next financial year. Since the Indian financial year commences on April 1, budget preparation begins in India in the month of September. The ball is set rolling by a circular of the Finance Ministry (or the Finance Department in case of States) to the various administrative Ministries or departments asking them to start the preparation of the estimates. These pass on the directive to the disbursing officers, i.e., the heads of offices. Printed forms are supplied wherein the estimates and the other requisite information have to be filled in. Each form contains columns for

(a) actuals of the previous year,

(b) sanctioned estimates for the current year,

(c) revised estimates for current year,

(d) budget estimates of the next year,

(e) actuals of the current year (at the time of the preparation), and

(f) actuals of the corresponding period of the previous year.

The estimates of the coming year are made on the basis of

(1) the revised estimates for the current year;

(2) the 12 month's actual of the last year;

(3) any recognizable irregularity in past year's figures; and

(4) any special circumstances causing variations.

The estimates are prepared in two parts. Part I relates to the existing revenues and charges, and Part II to new schemes of expenditure and to the proposals for the abandonment of any existing source of revenue. The disbursing officers send the estimates to the head of the department, who consolidates them for the whole department, after such review and revision as he may consider necessary. In the course of such review, the head has to judge the relative importance of the proposals from the various branches and sections of the department for new expenditure in the light of the possible grant for the department as a whole, and accept some of them and reject others. The estimates from the various departments are sent to the appropriate Secretariat/Department to be scrutinised there once again in the light of its general policy, and finally the Secretariat departments send the estimates to the Finance Ministry or department. In India, the estimates pass through the hand of the Accountant-General also who supply the actual and certain other information from their account books.

Scrutiny of the estimates by the Finance Ministry :

The estimates received from the various departments are finally scrutinized by the Finance Ministry and, after such revision or modification as may be necessary, are consolidated together into the budget of the Government as a whole. Its scrutiny is different in character from that of administrative Ministry. It does not go into the policy of the expenditure — this is, in the main, the responsibility of the administrative Ministry itself. The scrutiny of the estimates by the Finance Ministry is from the financial point of view, i.e., of economy and availability of funds. It does not question the policy underlying the proposals of the administrative Ministries for which they themselves are responsible.

The Finance Ministry is given tremendous control over the estimates of the other departments because of two reasons. Firstly, the Finance Ministry itself is not a spending department and can act as a disinterested guardian of the tax payers' interest. Secondly, the Finance Ministry has to find the money

to meet the proposed expenditure and so it must have a say in deciding whether it should be incurred or not.

The operation of the Finance Ministry's scrutiny is best seen in case of proposals for new expenditure, e.g., over a new social service, or the extension of an existing activity in a new direction. The imperative demands of the Five Year Plan, the policy decisions of the Cabinet, the current conditions in the country—all these must find a reflection in the budget and, to the degree, restrict the Finance Minister's say. The Finance Ministry closely looks into all proposals that impose a new, or an increased charge on the Government.

New charges are of two classes — (i) grants for purchases, constructions, etc. and (ii) grants for establishment. Big purchases or constructions, like the atomic energy reactor in Mumbai, are undertaken with the concurrence of the Cabinet. Evidently, the Finance Ministry's control in regard to the inclusion of such charges in the budget may appear to be somewhat restricted. But it watches closely the establishment proposals involving extra expenditure. If the Finance Minister cannot reconcile himself to the decision of the Cabinet, he may resign. Anyway, the Finance Minister's position in the Cabinet is a strong one; the Cabinet must give special weight to his views, at any rate when the expenditure at stake is of a significant dimension.

In Britain, the treasury and in the U.S.A. the Bureau of the Budget exercises over the budget estimates, the control which the Ministry of Finance does in India.

Criticism: The Finance Ministry's control over the estimates has been subjected to a good deal of criticism in recent years. The criticism are as follows:
(i) The natural instinct of the Finance Ministry is to say 'no' to a new proposal. It thus acts as a brake on progressive policies.
(ii) The competence of the Finance Ministry or Treasury to exercise judicious control over departmental estimates is questioned. The result is that proposals are arbitrarily accepted or rejected. It is prone to reject small proposals, while accepting the big ones without much ado.
(iii) The propriety of vesting into one Ministry the control over the estimates of other Ministries is doubted. It is said that if there must be such control, it should be into the hands of some super-departmental agency headed by the Prime Minister.

These criticisms are not without their substance, but control over estimates by some control agency like Finance Ministry or Treasury is a valuable instrument of balancing the budget and securing co-ordination of the activities of the Government.

Consideration of the consolidated estimates by the Cabinet: The Finance Minister examines the budget estimates and in consultation with the Prime Minister, prepares the financial policy with regard to taxation, etc. This, however, is kept a close secret. The consolidated figures are submitted to the Cabinet for consideration. The Budget Division of the Ministry of Finance then incorporates the necessary changes in accordance with the orders of the Cabinet and there after brings revised estimates for the current year up-to-date. When it is finally approved by the
Cabinet, the budget is ready for submission to the Parliament.

Enactment of the Budget
The budget is formally presented by the Finance Minister but it requires to be recommended by the President before it is presented to Parliament for legislative authorization. In fact, it is an important step in the completion of the budget, as a control instrument of financial administration. It is a cardinal principle that no taxation can be levied and no expenditure incurred without the prior approval of Parliament in all parliamentary democracies.

The role of the Legislature in budgeting is shaped by several co-ordinate influences. These are as follows :

(1) Influence from the executive: The executive authority proposes the programmes that the Legislature must review, modify and adopt.

(2) Influence from the internal Organization of legislative body : It determines the importance attached to the budgetary actions and relationship between budgeting and other legislations.

(3) Influence from the legislators themselves : The legislators themselves determine their individual and collective interests and abilities in fiscal affairs.

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

1. Introduction in the Legislature
2. The general discussion
3. The voting of the demands for grants
4. The consideration and passing of the Appropriation Bill, and
5. The consideration and passing of the taxation proposals, i.e., the Finance Bill.

1. Introduction: It has become customary in India to frame, introduce, and pass the budget in two parts — the Railway budget, and the General budget. The railway budget is regularized by rule 134 of the Rules of Procedure and Conduct of Business in Parliament, which makes provision for the submission of budget in two or more parts, each part to be dealt with in the same manner as if it were budget. The procedure in case of both is the same except that the railway budget is introduced and piloted by the Railway Minister while the general budget is Introduced by the Finance Minister. The railway budget precedes the general budget. The powers of Parliament in respect of the enactment of the budget are enshrined in the Constitution itself. The relevant Articles are 112 to 117. The following provisions in this respect may be worth noting:

1. No demand for a grant shall be made except on the recommendation of the President.
2. No proposal relating to expenditure can be brought without the recommendation of the President.
3. Parliament cannot increase tax though it is empowered to reduce or abolish it.
4. 'Charged' expenditure on the Consolidated Fund of India shall not be submitted to the vote of Parliament, though it is subject to discussion.
5. Parliament cannot amend the Appropriation Bill in a way as to have the effect of varying the amount of any 'charged' expenditure.
6. Powers of the Rajya Sabha are quite restricted in financial matters. Voting of demands for grants is the exclusive privilege of the Lok Sabha. In the case of Finance Bill, the Rajya Sabha has severely limited powers. It must give its concurrence, with or without any recommendation, within 14 days. The Lok Sabha may accept or reject any or all of these recommendations. The Finance Bill, however, does not go again to the Rajya Sabha; it is submitted to the President for assent. For the first time, in 1977, the Rajya Sabha made some changes in the Finance Bill. But the Lok Sabha reasserted its supremacy by rejecting these changes and adopting the Finance Bill in its original form. The Finance Minister presents the budget to the Lok Sabha on the last working day of February.

If on the last working day of February the House is not scheduled to meet, the House is summoned to meet specifically on that day at 5.00 p.m. for the presentation of the budget. The budget is presented first in the lower House by the Finance Minister. He makes a speech introducing the budget which contains

(a) General economic condition of the country
(b) Financial policy of his Government
(c) Explanation for the differences which occur between the budget estimates and the revised estimates of the current year.

This speech is eagerly awaited by the business and the financial circles as it gives them the first intimation of the taxation proposals, the tariff trends, protection to the industries, and the general economic and financial policy of the Government for the ensuing financial year. The budget speech is a lengthy document and printed copies of it, of the budget estimates, and explanatory memoranda are circulated among members.

The budget is also laid before the Council of States (Rajya Sabha), though this chamber can only discuss it and has no power over grants at all.

2. **General Discussion**
3. **Voting of Demands for**
The total number of days allotted for the voting of demands is 26 days in India. The Speaker, in consultation with the leader of the House, fixes a time limit for each demand as well as for the entire expenditure part of the budget. A demand is subjected to vote as soon as the time limit fixed for it, is reached. On the last day of the allotted period, the Speaker puts all the remaining demands to vote whether the discussion on the demand is complete or not.

The General budget is divided into 109 demands, 103 for civil expenditure and 6 for defense dependiture.The Railway budget contains 32 demands. Each demand is subject to vote. The demand is introduced by the Minister in charge of the subject, with a speech, which is largely political, very seldom financial. This is the stage of active discussion. The discussion is sparked off by moving cut motions; the idea behind these is that members specify the precise points on which they wish to concentrate discussion. Cut motions are of three kinds:
(a) Policy Cut : It is to disapprove of the policy underlying a demand. The motion is to reduce the demand to Re. 1.
(b) Economy Cut: It is to highlight the possibility of effecting economy in the proposed expenditure. The motion for economy cut is to reduce the proposed expenditure by a specified amount.
(c) Token Cut: It is to ventilate a specific grievance within the sphere of the responsibility of the Government of India. The motion is to reduce the demand by Rs. 100.

The principal merit of these cut motions lies in exposing and publicizing the lapses of administration. The cut motion is, of course, defeated because of the majority behind the Cabinet. A demand becomes a grant after it has been duly voted.

Charged Expenditure
4. **The Appropriation Bill :** When the House of People has voted all the demands, they, together with the demands for 'charged expenditure' are incorporated into a bill called the Appropriation Bill. The passage of this Bill is necessary to legalize the demands as voted and to authorize the withdrawal of money from the Consolidated Fund of India. Article 114 of the Constitution provides that no money can be withdrawn from the Consolidated Fund of India except under appropriation made by law. It follows the same procedure in the House of People as any other bill except that in this no amendment can be made to the Bill, as all the grants embodied in it have already been voted; the 'charged' expenditure is never put to vote. After being passed by the House of People it is certified by the Speaker as money bill and sent to the Council of States. The Council of States cannot amend or reject it; it returns the bill with its recommendations within 14 days. The House of People may accept or reject any or all of these recommendations. It is, then, sent to the President for assent, which is given as a matter of course. The purpose of passing the Appropriation Bill is to authenticate the supply voted by the House to facilitate the work of the Comptroller and Auditor - General.

5. The Finance Bill : With the passing of the Appropriation Act, the disposal of the expenditure part of the budget is complete. Money for expenditure, however, must come from somewhere and for that

resort has to be had to taxation. Article 265 of the Constitution lays down that no tax shall be levied or. collected except by authority of law. Since Parliament is the law-making body, it is this august body which must give consent to the taxation proposals of the Government, some of the taxes are permanent and their rates are fixed by the Government under the provisions of the Acts governing them. Others are to be authorised annually by the legislature as for example, the income tax, customs, etc.

All the taxation proposals of the Government for the ensuing financial year are embodied into a single bill known as the Finance Bill which has to be passed by Parliament every year. It is open to general and clause by clause discussion. Unlike the Appropriation Bill amendments may propose the abolition or the reduction of any tax and are sometimes even accepted by Government but not any new tax nor an increase in the rate of any existing tax. But on the recommendation of the President, a proposal to increase a tax or introduce a new tax can be introduced. After the passage of the Finance Bill in the Lok Sabha, it is sent to the Rajya Sabha for its concurrence. The latter has to return the Bill with its recommendations within fourteen days. The lower House may accept or reject any or all of the recommendations. In any case, it is sent to the President for his assent; after the assent it becomes the law of the land. It may be recalled that the budget embodies ordinary annual estimates, both of receipts and expenditures.

It is likely that, under special or extraordinary circumstances, provision has to be made for the following kinds of grants which the House of People may be asked to make, viz.,
(i) Vote on Account
(ii) Vote on Credit
(iii) Special Grant
(iv) Excess Grant
(v) Token Grant
(vi) Supplementary Grant

(i) Vote on Account: Vote on Account is an advance grant made by the House of People in respect of the estimated expenditure for a part of the ensuing financial year, pending the regular passage of the budget.

(ii) Vote on Credit: The Lok Sabha can grant vote on credit to meet an expenditure whose amount or details cannot be precisely stated on account of the magnitude or the indefinite character of the service (for example, war). It is, thus, a sort of blank cheque given to the executive. The Constitutional provision has been made for vote on credit in Article 116(b), though this device has not so far been used in India.

(iii) Special Grant: The special grants form no part of the current service of any financial year. When unforeseen expenditure not provided for in any of these ways, suddenly arises, it can be met from advances made by the President out of the Contingency Fund of India. These advances have to be duly authorized by the Parliament later.

(iv) Excess Grant: Excess grant is voted after the financial year. Since the disbursing authorities are spread all over the country, it is obviously not possible to keep the expenditure within the limit set up by Parliament. Excess money is sometimes spent. Such expenditure is regularised by obtaining an excess grant from Parliament. All such
demands for excess grants need first be approved by the Public Accounts Committee before submission to the Lok Sabha.
(v) Token Grant: Token grant must not be confused with token vote which is a device of taking parliamentary approval for a self-financing scheme when funds to meet the proposed expenditure on a new service can be made available by reappropriation, a demand for a token amount (say, Rs. 10) is put

to vote, and funds may be made available on Parliament's approval of the demand. This is known as token grant.

(vi) Supplementary Grant : A supplementary financial statement can be laid before the House if
(a) the budget grants for any service are later found to be insufficient; or
(b) expenditure incurred on any service exceeds the amount provided for in the budget; or
(c) expenditure on some' new service becomes necessary. It has to be passed by the usual procedure for the Appropriation Bills.

It need be pointed out that the system of supple-mentary demands not only weakens parliamentary control over public expenditure, it also amounts to a breach of contract between the Government and the Parliament. Recourse to the Supplementary grants should be made only sparingly.

Thus, with the passage of the Appropriation Bill and the Finance Bill, the enactment of the budget is over.

EXECUTION OF BUDGET
A budget is of no use unless it is enforced, i.e., revenue and expenditure are regulated according to it. The execution of the budget is the responsibility of the executive Government, and therefore, the distribution of powers within the executive Government determines the procedure for the execution of the budget. Efficient execution depends on the extent to which financial control combines operational freedom and flexibility with accountability for performance. Besides, it requires strong central direction and control. Control of expenditure within the terms of the budget is a far more complex affair than the collection of revenue and in budget execution, the primary emphasis is placed on it. The objects of control of expenditure are:
(1) To see that it does not exceed the budgetary grant under any head, and
(2) To ensure that it is not improper, extravagant, wasteful.

The amounts voted in the budget are the maxima upto which the executive may spend for the specified purposes, and which must not be exceeded in any case without fresh legislative sanction. This does not mean that the executive may spend so much without due regard to necessity and economy. It is always implied that notwithstanding budgetary provision the executive shall spend on any object only the minimum amount absolutely necessary as an ordinarily prudent person does in private life.

The machinery of executive control over expenditure consists of
(a) the Finance Ministry, and (b) the heads of various administrative departments.

(a) The Finance Ministry: In India, the Ministry of Finance has been given the responsibility to exercise over-all control over the budget execution. As an instrument for carrying out the financial policies of the Government, the Ministry of Finance supervises the finances of spending authorities by checking over their expenditure at three stages.

These are :
(i) approval of programmes or policies in principle;
(ii) acceptance of provisions in the budget estimates;
(iii) prior concurrence to incurring of expenditure subject to such powers as may have been delegated to the administrative Ministries/ departments.
In fact, it is the control at the first and third stages that generally, engages much of the attention and time of the Finance Ministry and that impinges on the day-to-day working of the administrative Ministries.

The Finance Ministry also performs a number of other duties in connection with the carrying out of the budget. These are :

(i) Seeing that administrative Ministries do not receive more funds, during the financial year than they can spend, and that they surrender unspent balances as early as possible before the close of the financial year;

(ii) Watching the progress of expenditure in the spending departments through periodic reports from them, and cautioning them when necessary;

(iii) Supervising revenue collection through the Central Board of Revenue which collects the more important union taxes;

(iv) Sanctioning reappropriations beyond the competence of the controlling officers;

(v) Giving financial advice and guidance to the administrative Ministries generally.

(b) **The Departmental Heads:** Subject to the overall control of the Finance Ministry, the head of each administrative department is designated as the controlling officer in respect to the expenditure occurring in his department. It is the responsibility of the controlling officers to keep a continuous watch over the current and anticipated expenditure with an object to see that the amounts so placed at their disposal are spent on the specified purposes. The Accountant- General watches the progress of expenditure against the Parliamentary sanction under each detailed head.

There is also continuous review and appraisal of the budget execution. The preliminary review takes place in the month of September, when four month's figures of actual expenditure are taken into account. The next review takes place in the month of December. Similarly, the third review is undertaken in January. It is at this point of time, revised estimates, based upon nine months' actuals, are prepared. Finally, there is a modified appropriation for the final estimates. During these reviews it is also ascertained whether there is some necessity to go to the Parliament for additional funds. If the Finance Ministry feels satisfied it, presents a supplementary budget.

It is quite often that excess and deficiencies take place under different heads within the same grant. The department, where necessary, in consultation with the Finance Ministry, can sanction transfers from one head to another. Those departments which do not require the full amount of grant, surrender it to the Finance Ministry to be utilized elsewhere. Execution of budget rests on the

(i) Proper collection of revenues;

(ii) Proper custody of collected funds; and

(iii) Proper disbursement of funds.

(i) **Proper Collection of Revenues :** Collection of revenue is the first step and involves two major operations — assessment of revenue and its collection. Assessment is nothing but an act determining what amount is to be collected from various bodies or individuals in accordance with the authority given by the legislature. It requires a high sense of judgment and discretion. On the other hand, collection is the act of actually collecting the amount assessed. It requires a high degree of accuracy and integrity and the collecting agency cannot use its own discretion. In India, the Department of Revenue of the Finance Ministry exercises overall control and supervision over the machinery engaged in the collection of direct and indirect taxes. Such control is exercised through two Boards — the Central Board of Direct Taxes and the Central Board of Excise and Customs.

(ii) **Custody of Funds :** The main aim is to avoid all possibilities of embezzlement and misappropriation and to ensure convenience and promptness in money transactions. The financial administration of any country, from the custody point of view, depends upon its history, its area and the banking facilities. The Government Treasuries for the custody of Government funds are fast disappearing due to the emergence of the wide banking network. Through the use of the banking system it is no longer necessary to carry on all the financial transactions through cash as now most of the work may be done

through cheques, drafts, hundies, and bank bills. The modern tendency is for governments to have their own Central or Reserve Banks. This has a number of advantages such as financial stability, safety and security and no dangers of corruption and malpractices.

(iii) **Disbursement of Funds :** The disbursement system in India is based upon the British system. A heavy duty lies on the disbursing officer who withdraws the money from the treasury and disburses it.

Unit IV Panchayati Raj

1	Centralization and decentralisation.
2	**Panchayati Raj in Indian States.**
3	Public Administration & Law-Judiciary

CENTRALIZATION

Centralization, is the process by which the activities of an organization , particularly those regarding planning and decision-making, become concentrated within a particular location and/or group or keeping all of the important decision making powers within head office or the centre of the organization .

The systematic and consistent reservation of authority at central point within the Organization is called centralization of authority. The various activities of office are brought under the direct control of the office manager. According to Fayol—"everything which goes to increase the importance of the subordinate's role is decentralization and everything which goes to reduce it is centralization." The importance of the subordinate is reduced and the importance of the superior executive is increased in centralization.

Centralization of office services may be physical or functional centralization. In the former state of centralization, all office personnel are placed at a central place for work but in the later set up, personnel are scattered at departmental level but their control is exercised from a central point. Centralization of authority in pure sense of the term is not found. A mixture of centralization and decentralization is the practice of today.

Advantages of Centralization of Authority
1. **Reduced cost**—The standardized procedure and method helps in considerably reduction of office cost. Office cost is reduced as it does not emphasizes on more specialists, and more departmental machines and equipment.
2. **Uniformity in action** — Uniformity in action is established throughout the Organization because of central administrative control. The same executive supervises the work and same type of office equipments are used which ensure uniform performance of activities.
3. **Personal leadership**—Centralisation encourages and permit personal leadership. The introduction of personal leadership facilitates quick action, aggressive marketing and attainment of pin-pointed objective or purpose,
4. **Flexibility** — Centralisation permits flexibility and adaptability of the Organization to the changed circumstances. Occasional pressure of extra clerical work is handled with the existing staff.
5. **Improved quality of work**—Improved quality of work is possible because of standardized procedure, better supervision and use of improved- machinery.
6. **Better co-ordination** — Centralization facilitate better co ordination among various operations. Direct control and supervision are facilitated which results in less likelihood of conflict of authority and duplication of work.

Disadvantages of Centralization of Authority:
1. **Delay in work**—Centralisation creates loss of man-hours and delay in performance of work because of transmission of records from and to the central control room. Quick decision is not possible which also results delay in office work.

2. **Remote control**—Better supervision is not possible as the executives are under heavy pressure of work. Slackness in work is developed in the absence of better control and supervision.
3. **No loyalty**— In centralisation there is no subordinate's initiative in work because they are required to do such works which they were asked for. Workers work like machine which results in no involvement in work and absence of zeal. All these factors stand as barrier in the development of loyalty to work.
4. **No Secrecy**—Secrecy is not possible in centralised set up Organization because here orders and decisions flow from one place and are conveyed to all.
5. **No special attention**—In centralization no special attention is given to special work as all works are done at one place.

DECENTRALIZATION
Decentralization means diffusion of authority. The dispersal of authority of decision-making to the lower level management is termed as decentralization. Decentralization of authority is a fundamental phase of delegation and the extent to which authority is not delegated is called centralization. According to Fayol "Everything that goes to increase the importance of the subordinate's role is called decentralization."

Decentralization in relation to office denotes disperse of office services and activities. The necessity of decentralization of office services occurs when official activities are performed at functional departmental level. Thus, decentralization in relation to office may include departmentation of activities. When authority is dispersed, decentralization is present.

The need for decentralization is felt when the business grows in its size which necessitates diversification of office activities. Decentralization occurs at the time of decisions of routine nature but if decisions are vital, the authority is not decentralized. The technological development, political factors, availability of managers also affects the degree of decentralization. Decentralization does not exist in its pure sense. There is a mixture of the two because some activities are centralized and some are decentralized. Advantages of Decentralization

Advantages of Decentralization:
1. **Distribution of burden of top executive**—Decentralization enables to its executive to share his burden with others at lower levels because here authority is delegated. The top executive is relieved of some burden and concentrates his activities to think for the future of the organization .
2. **Increased motivation and morale** — The morality of the employees are increased because of delegation of authority. Decentralization helps to increase employees morale because it involves delegation. The employees are motivated to work.
3. **Greater efficiency and output**—Decentralization gives emphasis on care, caution and enthusiastic approach to the work which in turn results in increased efficiency and output. This is possible because it involves delegation of authority and responsibility.
4. **Diversification of Activities**—Decentralization helps in diversification of activities. It crests more employment opportunities because new managers are to be entrusted with new assignments.
5. **Better Co-ordination**—The various operations and activities are co-ordinate in a decentralized set up.
6. **Maintenance of Secrecy** — Decentralization enables to maintain secrecy without much cost and unnecessary trouble.
7. **Facilitate effective control and quick decision**-Decentralization enables to measure the work according to standard easily and quickly. This facilitate taking up quick decision.

Disadvantages of Decentralization:

1. **More cost**—Decentralization is costly because it encourages duplication of functions and equipments. As it is costly, it cannot be adopted by small organizations.
2. **No specialization** — Specialization suffers in decentralization because everyone becomes jack-of-all-trades but master of none. So specialization is affected.
3. **Need more specialists**-In decentralization more specialists are needed. The services of specialists are not utilized effectively and efficiently, as they are large in numbers.
4. **No uniform action** — It becomes difficult to maintain uniformity in action because routine and methods differ from Organization to Organization and department to department.
5. **No equitable distribution of work** — It becomes difficult to distribute workload equitably among different employees.

PANCHAYATI RAJ IN INDIAN STATES
The realization that peoples' participation is crucial for successful implementation of programmes like CD and NES, was brought to sharp focus through the report of the team for the study of Community Projects and National Extension Service by Balwantray G.Mehta (1957). The Committee observed that one of the least successful aspects of CD and NES work is its attempt to evoke popular initiative and recommended democratic decentralization.

Democratic Decentralization
The word 'democracy' is derived from the Greek 'demos' means 'the people'; 'cracy' means 'rule of'. It is the 'rule of people'. It is governance of the people, by the people, for the people. The rule by majority is an important feature of this programme.

Decentralization means devolution of central authority among local units close to the areas served. Where authority devolves by this process on people's institution, it is 'democratic decentralization'. The State of Madras tried this as a pilot project as early as 1957. Based on the success in this State it was Rajasthan which became the pioneer to bring the whole state under democratic decentralization on Oct. 2, 1959.

Meaning - Panchayat Raj
The concept 'democratic decentralization' was not easily understood by the people. Therefore, as decided by the then Prime Minister the three-tier administration was introduced in the name of "Panchayat Raj". Panchayat Raj means the system of Government. Horizontally it is a network of village panchayats. Vertically, it is an organic growth of panchayat rising up to national level.

Panchayat Raj was easily accepted because it meant administration by mutual consultation, consent and consensus. It fitted closely into the ancient cultural patterns in India.

Article 40 of the Constitution which enshrines one of the Directive Principles of State Policy lays down that the State shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government. In the light of the experience in the last forty years and in view of the short-comings which have been observed, it is considered that there is an imperative need to enshrine in the Constitution certain basic and essential features of Panchayati Raj Institutions to impart certainty, continuity and strength to them.

The passage of the **Constitution (73rdAmendment) Act, 1992** (or simply the **Panchayati Raj Act**) marks a new era in the federal democratic set up of the country. It provided the much needed constitutional sanction to the Panchayati Raj Institutions (PRIs) for functioning as an organic and integral part of the nation's democratic process. It came into force with effect from April 24, 1993 and

did not apply to the Schedule V areas of the nine states, Schedule VI Areas of the North-East and the District of Darjeeling in West Bengal as well as J&K.

GROWTH OF LOCAL SELF- GOVERNMENT IN INDIA

In the time of the Rig-Veda (1700 BC), evidences suggest that self-governing village bodies called 'sabhas' existed. With the passage of time, these bodies became panchayats (council of five persons). Panchayats were functional institutions of grassroots governance in almost every village. The Village Panchayat or elected council had large powers, both executive and judicial. Land was distributed by this panchayat which also collected taxes out of the produce and paid the government's share on behalf of the village. Above a number of these village councils there was a larger panchayat or council to supervise and interfere if necessary. Casteism and feudalistic system of governance under Mughal rule in the medieval period slowly eroded the self-government in villages. A new class of feudal chiefs and revenue collectors (zamindars) emerged between the ruler and the people. And, so began the stagnation and decline of self-government in villages.

During the British rule, the autonomy of panchayats gradually declined with the establishment of local civil and criminal courts, revenue and police organizations, the increase in communications, the growth of individualism and the operation of the individual Ryotwari '(landholder-wise) system as against the Mahalwari or village tenure system.

During British rule

The panchayat had never been the priority of the British rulers. The rulers were interested in the creation of 'controlled' local bodies, which could help them in their trading interests by collecting taxes for them. When the colonial administration came under severe financial pressure after the 1857 uprising, the remedy sought was decentralisation in terms of transferring responsibility for road and public works to local bodies. However, the thrust of this 'compelled' decentralisation was with respect to municipal administration..

"The panchayat was destroyed by the East India Company when it was granted the office of Diwan in 1765 by the Mughal Emperor as part of reparation after his defeat at Buxar. As Diwan the Company took two decisions. The first was that it abolished the village land record office and created a company official called Patwari. The Patwari became the official record keeper for a number of villages. The second was the creation of the office of magistrate and the abolition of village police. The magistrate carried out policing functions through the Darogha who had always been a state functionary under the Faujdar. The primary purpose of these measures was the collection of land revenue by fiat. The depredations of the Patwari and the Darogha are part of our folklore and it led to the worst famine in Bengal. The effects of the famine lingered right to the end of the 18th century. These two measures completely disempowered the village community and destroyed the panchayat. After 1857 the British tried to restore the panchayat by giving it powers to try minor offences and to resolve village disputes. But these measures never restored the lost powers of the village community."

From 1870 that Viceroy **Lord Mayo's Resolution** (for decentralisation of power to bring about administrative efficiency in meeting people's demand and to add to the finances of colonial regime) gave the needed impetus to the development of local institutions. It was a landmark in the evolution of colonial policy towards local government. The real benchmarking of the government policy on decentralisation can, however, be attributed to Lord Ripon who, in his famous resolution on local self-government on May 18, 1882, recognised the twin considerations of local government: (i) administrative efficiency and (ii) political education. The **Ripon Resolution**, which focused on towns, provided for local bodies consisting of a large majority of elected non-official members and presided over by a non-official chairperson. This resolution met with resistance from colonial administrators. The progress of local self-government was tardy with only half-hearted steps taken in setting up municipal bodies. Rural decentralisation remained a neglected area of administrative reform.

The Royal Commission on Decentralisation (1907) under the chairmanship of C.E.H. Hobhouse recognised the importance of panchayats at the village level. The commission recommended that "it is most desirable, alike in the interests of decentralisation and in order to associate the people with the local tasks of administration that an attempt should be made to constitute and develop village panchayats for the administration of local village affairs".

But, the **Montague-Chemsford reforms** (1919) brought local self-government as a provincial transferred subject, under the domain of Indian ministers in the provinces. Due to organizational and fiscal constraints, the reform was unable to make panchayat institutions truly democratic and vibrant. However, the most significant development of this period was the 'establishment of village panchayats in a number of provinces, that were no longer mere ad hoc judicial tribunal, but representative institutions symbolizing the corporate character of the village and having a wide jurisdiction in respect of civic matters'. l By 1925, eight provinces had passed panchayat acts and by 1926, six native states had also passed panchayat laws.

The provincial autonomy under the Government of India Act, 1935, marked the evolution of panchayats in India. Popularly elected governments in provinces enacted legislations to further democratize institutions of local self-government. But the system of responsible government at the grassroots level was least responsible. D.P. Mishra, the then minister for local self-government under the Government of India Act of 1935 in Central Provinces was of the view that 'the working of our local bodies... in our province and perhaps in the whole country presents a tragic picture... 'Inefficiency' and 'local body' have become synonymous terms....'.

In spite of various committees such as the **Royal Commission on Decentralization** (1907), the report of Montague and Chemsford on constitutional reform (1919), the Government of India Resolution (1919), etc., a hierarchical administrative structure based on supervision and control evolved. The administrator became the focal point of rural governance. The British were not concerned with decentralised democracy but were aiming for colonial objectives.

The Indian National Congress from the 1920s to 1947, emphasized the issue of all-India Swaraj, and organized movements for Independence under the leadership of Mahatma Gandhi. The task of preparing any sort of blueprint for the local level was neglected as a result. There was no consensus among the top leaders regarding the status and role to be assigned to the institution of rural local self-government; rather there were divergent views on the subject. On the one end Gandhi favoured Village Swaraj and strengthening the village panchayat to the fullest extent and on the other end, Dr. B.R. Ambedkar opposed this idea. He believed that the village represented regressive India, a source of oppression. The model state hence had to build safeguards against such social oppression and the only way it could be done was through the adoption of the parliamentary model of politics. During the drafting of the Constitution of India, Panchayati Raj Institutions were placed in the non-justiciable part of the Constitution, the Directive Principles of State Policy, as Article 40. The Article read 'the State shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government'. However, no worthwhile legislation was enacted either at the national or state level to implement it.

In the four decades since the adoption of the Constitution, panchayat raj institutions have travelled from the non-justiciable part of the Constitution to one where, through a separate amendment, a whole new status has been added to their history

Post-independence period

Panchayat raj had to go through various stages. The First Five Year Plan failed to bring about active participation and involvement of the people in the Plan processes, which included Plan formulation implementation and monitoring. The Second Five Year Plan attempted to cover the entire countryside with National Extensive Service Blocks through the institutions of Block Development Officers, Assistant Development Officers, Village Level Workers, in addition to nominated representatives of village panchayats of that area and some other popular organization s like co-operative societies. But the plan failed to satisfactorily accomplish decentralisation. Hence, committees were constituted by various authorities to advise the Centre on different aspects of decentralisation.

Balwant Ray Mehta Committee:

The **Balwant Rai Mehta Committee** was a committee appointed by the Government of India in January 1957 to examine the working of the Community Development Programme(1952) and the National Extension Service(1953) and to suggest measures for their better working. The Chairman of this committee was Balwantrai G Mehta. The committee submitted its report in November 1957 and recommended the establishment of the scheme of 'democratic decentralisation' which finally came to be known as Panchayati Raj.The main aim of Panchayat raj system is to settle the local problems locally and to make the people politically conscious.

The **specific recommendations** of the committee are:

1. Establishment of a 3-tier Panchayati Raj system-Gram Panchayat at the village level, Panchayat Samiti at the block level, and Zila Parishad at the district level. These tiers should be organically linked through a device of indirect elections.The main purpose of this division is to simplify and to decrease the work load of the state and central government[MSD].
2. The village Panchayat should be constituted with directly elected representatives, whereas the Panchayat Samiti and Zila Parishad should be constituted with indirectly elected members.This is because Panchyat is similar to that of state assembly where there is place for politics where as Samiti and Zilla Parishad should members should be more educated and knowledgble and may not need the majority support.
3. All planning and developmental activities should be entrusted to these bodies.
4. The Panchayat Samiti should be the executive body while the Zila Parishad should be the advisory, coordinating and supervisory body.
5. The District Collector should be the Chairman of the Zila Parishad.
6. There should be a genuine transfer of power and responsibility to these democratic bodies.
7. Sufficient resources should be transferred to these bodies to enable them to discharge their functions and fulfil their responsibilities.
8. A system should be evolved to effect further devolution of authority in future.

These recommendations were accepted by the National Development Council in January 1958.

Ashok Mehta Committee

In December 1977, the Janata Government appointed a committee on Panchayati Raj institutions under the chairmanship ofAshoka Mehta. The committee submitted its report in August 1978 and made 132 recommendations to revive and strengthen the declining Panchayati Raj system in the country. As a result of this report, the Indian states of Karnataka, Andhra Pradesh, and West Bengal passed new legislation. However, the flow of politics at the state level did not allow the institutions to develop their own political dynamics.

The **main recommendations** of the committee were:

1) The 3-tier system of Panchayati Raj should be replaced by the 2-tier system: Zilla Parishad at the district level, and below it,the Mandal Panchayat consisting of a group of villages covering a population of 15000 to 20000.
2) A district should be the first point for decentralisation under popular supervision below the state level.
3) Zila Parishad should be the executive body and made responsible for planning at the district level.
4) There should be an official participation of political parties at all levels of Panchayat elections.
5) The Panchayat Raj institutions should have compulsory powers of taxation to mobilise their own financial resources.
6) There should be a regular social audit by a district level agency and by a committee of legislators to check whether the funds allotted for the vulnerable social and economic groups are actually spent on them.
7) The state government should not supersede the Panchayat Raj institutions. In case of an imperative supersession, election should be held within 6 months from the date of supersession.
8) The Nyaya Panchayats should be kept as separate bodies from that of development Panchayats. They should be presided over by a qualified judge.
9) The Chief Electoral Officer of the state in consultaton with the Chief Election Commissioner should organise and conduct the Panchayati Raj elections.
10) Development functions should be transferred to the Zila Parishad and all development staff should work under its control and supervision.
11) The voluntary agencies should play an important role in mobilising the support of the people for Panchayati Raj.
12) A minister for Panchayati Raj should be appointed in the state council of ministers to look after the affairs of the Panchayati Raj institutions.
13) Seats for SCs and Sts should be reserved on the basis of their population.

G.V.K. Rao Committee (1985)
The G.V.K. Rao Committee was appointed to once again look at various aspects of PRIs. The Committee was of the opinion that a total view of rural development must be taken in which PRIs must play a central role in handling people's problems.

It **recommended** the following:
- PRIs have to be activated and provided with all the required support to become effective organization s,
- PRIs at district level and below should be assigned the work of planning, implementation and monitoring of rural development programmes, and
- the block development office should be the spinal cord of the rural development process.

L.M.Singhvi Committee (1986)
L.M. Singhvi Committee studied panchayati raj. The Gram Sabha was considered as the base of a decentralised democracy, and PRIs viewed as institutions of self-governance which would actually facilitate the participation of the people in the process of planning and development.

It **recommended**:
- local self-government should be constitutionally recognised, protected and preserved by the inclusion of new chapter in the Constitution,
- non-involvement of political parties in Panchayat elections.

The suggestion of giving panchayats constitutional status was opposed by the Sarkaria Commission, but the idea, however, gained momentum in the late 1980s especially because of the endorsement by the late Prime Minister Rajiv Gandhi, who introduced the 64th Constitutional Amendment Bill in 1989. The

64th Amendment Bill was prepared and introduced in the lower house of Parliament. But it got defeated in the Rajya Sabha as non-convincing. He lost the general elections too. In 1989, the National Front introduced the 74th Constitutional Amendment Bill, which could not become an Act because of the dissolution of the Ninth Lok Sabha. All these various suggestions and recommendations and means of strengthening PRIs were considered while formulating the new Constitutional Amendment Act.

PROVISIONS REGARDING THE PANCHAYATS:
A new **Part IX** was inserted in the Constitution by the Constitution **(Seventy-third Amendment) Act, 1992 (w.e.f. 1-6-1993)** which reads as follows:

S.N	HEADING	PROVISION
1.	**Definitions –**	In this Part (Part IX), unless the context otherwise requires – a. **"District"** means a district in a State; b. **"Gramsabha"** means a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level; c. **"intermediate level"** means a level between the village and district levels specified by the Governor of a State by public notification to be the intermediate level for the pt poses of this Part; d. **"Panchayat"** means an institution (by whatever name called) of self-Government constituted under Art. 243-B, for the rural areas; e. **"Panchayat area"** means the territorial area of a Panchayat; f. **"Population "**means the population as ascertained at the last preceding census of which the relevant figures have been published; g. **"Village"** means a village specified by the Governor by public notification to be a village for the purposes of this Part and includes a group of villages so specified. [Art. 243] **Gram Panchayat,** by virtue of Art. 243-D would be self-Government or may be a local self-Government but not a local authority. Gram Panchayat as a self-Government is a sovereign body having both constitutional and a statutory status to not only govern itself but to govern its subjects within its territory. **[Velpur Gram panchayat vs Asstt. Director of Marketing, Guntur, AIR 1998 A.P. 142]** Gram panchayat has got the powers to have and regulate its own markets of its own. There cannot be any special law to take away such a power as special subject unless provided under Panchayat Raj Act. It is Panchayat Raj Act which prevails over Agriculture Markets Act. A market committee constituted under the Agriculture Markets Act has no jurisdiction over the Gram Panchayat. It is the exclusive jurisdiction of Gram panchayat to hold the markets or cattle markets or weekly bazars like standy for sale and purchase of cattle. **[Velpur Gram panchayat vs Asstt. Director of Marketing, Guntur AIR 1998 A.P. 142.]** **Gram Sabha –** A Gram Sabha may exercise such powers and perform such functions at the village level as the Legislature of a State may, by la provide.
2.	**Constitution of Panchayats-**	1. There shall be constituted in every State, Panchayats at the village, intermediate and district levels in accordance with the provisions of

		this Part.
		2. Notwithstanding anything in clause (1), Panchayats at the intermediate level may not be constituted in a State having a population not exceeding twenty lakhs. **[Art. 243-B]**
3.	**Composition of Panchayats -**	1) Subject to the provisions of this part, the Legislature of a **State may, by law**, make provisions with respect to the composition of Panchayats: Provided that the ratio between the population of the territorial area of a Panchayat at any level and the number of seats in such Panchayat to be filled by election shall, so far as practicable, be the same throughout the State. (2) All the seats in a Panchayat shall be filled by persons chosen by **direct election** from territorial constituencies in the Panchayat area and, for this purpose, each Panchayat area shall be divided into **territorial constituencies** in such manner that the ratio between the population of each constituency and the number of seats allotted to it shall, so far as practicable, be the same throughout the Panchayat area. (3) The Legislature of a State may, by law, provide for the representation – a) Of the Chairpersons of the Panchayas at the village level, in the Panchayats at the intermediate level or, in the case of a State not having Panchayats at the intermediate level, in the Panchayats at the district level b) Of the Chairpersons of the Panchayats at the intermediate level, in the Panchayats at the district level; c) Of the members of the House of the People and the members of the Legislative Assembly of the State representing constituencies which comprise wholly or partly a Panchayat area at a level other than the village level; d) Of the members of the Council of States and the members of the Legislative Council of the State, where they are registered as electors within i. A Panchayat area at the intermediate level, in Panchayat at the intermediate level; ii. Panchayat area at the district level, in Panchayat at the district level (4) The Chairperson of a Panchayat and other members of a Panchayat whether or not chosen by direct election from territorial constituencies in the Panchayat area shall have the right to vote in the meetings of the Panchayat. (5) The Chairperson of- a) A Panchayat at the village level shall be elected in such manner the Legislature of a State may, by law, provide**,** and b) A Panchayat at the intermediate level or district level shall be elect by, and from amongst, the elected members thereof **[Art 243-C]**

4.	**Reservation of seats-**	(1) Seats shall be reserved for- **(a) The Schedule Castes; and** **(b) The Scheduled Tribes;** in every Panchayat and the number of seats so reserved shall bear, as early as may be, the same proportion to the total number of seats to be filled by direct election in that Panchayat as the population of the Scheduled Castes ii that Panchayat area or of the Scheduled Tribes in that Panchayat area pears to the total population of that area and such seats may be allotted by rotation to different constituencies in a Panchayat. (2) Not less than **one-third** of the total number of seats reserved under clause (1) shall be reserved for **women** belonging to the Scheduled Castes or, Is the case may be, the Scheduled Tribes. (3) Not less than **one-third** (including the number of seats reserved for omen belonging to the Scheduled Castes and the Scheduled Tribes) of the total number of seats to be filled by direct election in every Panchayat shall reserved for **women** and such seats may be allotted by **rotation** to different constituencies in a Panchayat. (4) The offices of the Chairpersons in the Panchayats at the village or at other level shall be reserved for the Scheduled Castes, the Scheduled tribes and women in such manner as the Legislature of a State may, by law, provide Provided that the number of offices of Chairpersons reserved for the scheduled Castes and the Scheduled Tribes in the Panchayats at each level any State shall bear, as nearly as may be, the same proportion to the total number of such offices in the Panchayats at each level as the population of e Scheduled Castes in the State or of the Scheduled Tribes in the State ears to the total population of the State: Provided further that not less that one-third of the total number of offices (Chairpersons in the Panchayats at each level shall be reserved for women: Provided also that the number of offices reserved under this clause shall be allotted by rotation to different Panchayats at each level. (5) The reservation of seats under clauses (1) and (2) and the reservation (offices of Chairpersons (other than the reservation for women) under clause 4) shall cease to have effect on the expiration of the period specified in specified **in Art.334**. (6) Nothing in this Part shall prevent the Legislature of a State from making any provision for reservation of seats in any Panchayat or offices of chairpersons in the Panchayats or offices of Chairpersons in the Panchayats at any level in favour of backward class of citizens. **[Art. 243-D]**
5.	**Duration of Panchayats etc.-**	(1) Every Panchayat, unless sooner dissolved under any law for the time being in force, shall continue for **five years** from the date appointed for its

		first meeting and no longer.
		(2) No amendment of any law for the time being in force shall have the effect of causing dissolution of a Panchayat at any Level, which is functioning immediately before such amendment, till the expiration of its duration specified clause (1).
		(3) An election to constitute a Panchayat shall be completed- (a) Before the expiry of its duration specified in clause (I), (b) Before the expiration of a period of **six months** from the date of its dissolution:
		Provided that where the remainder of the period for which the dissolved Panchayat would have continued is less than six months, it shall not be necessary to hold any election under this clause for constitution the Panchayat for such period.
		(4) A Panchayat constituted upon the dissolution of a Panchayat before the expiration of its duration shall continue only for the **remainder of the period** for which the dissolved Panchayat would have continued under clause (I) has it not been so dissolved. **[Art. 243 (E)]**
6.	**Disqualifications for membership-**	1) A person shall be disqualified for being chosen as, and for being, a member of Panchayat: (a) if he is so disqualified by or **under any law** for the time being in force for the purpose of elections to the Legislature of the State concerned: Provided that no person shall be disqualified on the ground that he is less than twenty-five years of age, if he has attained the **age of twenty-one years**; (b) If he is so disqualified by or under **any law** made by the Legislature of the State.
		(2) If any question arises as to whether a member of a Panchayat has become subject to any of the disqualifications mentioned in clause (1), the question shall be referred for the decision of such authority and in such manner as the Legislature of a State may, be law, provide.
7.	**Powers, authority and responsibilities of Panchayat**	Subject to the provisions of the Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to- (a) The **preparation of plans** for economic development and social justice: (b) The **implementation of schemes** for economic development and social justice as may be entrusted to them including those in relation to the Matters listed in the **Eleventh Schedule. [Art. 243-G]**
8.	**Powers to impose taxes by, and**	The Legislature of a State may, by law- a) **authorize** a Panchayat **to levy**, collect and appropriate such taxes,

	Funds of, the Panchayats	duties, tolls and fees in accordance with such procedure and subject to such limits: b) **assign** to a Panchayat such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subjects to such conditions and limits; c) Provide for making such **grants-in-aid** to the Panchayats from the Consolidated Fund of the State; and d) Provide for **constitution of such Funds** for crediting all moneys received, respectively, by or on behalf of the Panchayats and also for the withdrawal of such moneys there from, as may be specified in the law. **[Art. 243-H]**

9.	**Constitution of Finance Commission to review financial position**	(1) The **Governor of a State** shall, as soon as may be within one year from the commencement of the Constitution (Seventy-third Amendment) Act, 1992, and thereafter at the expiration of **every fifth year** constitute a Finance Commission to review the financial position of the Panchayats and to make recommendations to the Governor as to-
		
		 (a) The principles which should govern-
		    i. the **distribution** between the State and the Panchayats of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them under this Part and the allocation between the panchayam at all levels of their respective shares of such proceeds ;
		    ii. The **determination** of the taxes, duties, tolls and fees which may be assigned to, or appropriated by, the Panchayats :
		    iii. The **grants-in-aid** to the Panchayats from the Consolidated Fund of the State ;
		
		 (b) The measures needed to the Finance Commission by the Governor in the interests of sound finance of the Panchayats.
		
		 (c) Any other matter referred to the Finance Commission by the Governor in the interests of sound finance of the Panchayats.
		
		 (2) The Legislature of a State may, by law, provide for the composition of the Commission, the qualifications which shall be requisite for appointment as members thereof and the manner in which they shall be selected.
		
		 (3) The Commission shall determine their procedure and shall have such powers in the performance of their functions as the Legislature of the State may, by law, confer on them.
		
		 (4) The Governor shall cause every recommendation made by the Commission tinder this Article together with as explanatory memorandum as to the action taken thereon to be laid before the Legislature of the State. **[Art. 243-I]**

10.	Audit of accounts of Panchayats-	The Legislature of a State may, by law, make provisions with respect to the maintenance of accounts by the Panchayats and the auditing of such accounts. **[Art. 243-J]**
11.	Elections to the Panchayats	I) The superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to the Panchayats shall be vested in a **State Election Commission** consisting of a **State Election Commissioner** to be appointed by the **Governor.** (2) Subject to the provisions of any law made by the legislature of a State, the conditions of service and tenure of office of the State Election Commissioner shall be such as the Governor may be rule determine: Provided that the State Election Commissioner shall not be removed from his office except in like manner and on the like grounds as a Judge of a High Court and the conditions of service of the State Election Commissioner shall not be varied to his disadvantage after his appointment. (3) The Governor of a State shall, when so requested by the State Election Commission, make available to the State Election Commission such staff as may be necessary for the discharge of the functions conferred on the State Election Commission by clause (1). (4) Subject to the provisions of this Constitution, the Legislature of a State may, by law, make provision with respect to all matters relating to, or in connection with, election to the Panchayats. **[Art. 243-K]** Election of Panchayat/municipality can be challenged directly before High Court under art. 226 and 227. [**Lal Chand vs State of Haryana, AIR 1999 P. & H. I.]**
12.	Application to Union territories –	The provisions of this Part shall apply to the Union territories and shall, in their application to a Union territory, have effect as if the references to the Governor of a State were reference to the Administrator of the Union territory appointed under Article 239 and references to the Legislature or the Legislative Assembly of a State were references, in relation to a Union territory having a Legislature Assembly, to that Legislative Assembly: **Provided that the President** may, by public notification, direct that the provisions of this Part shall apply to any Union territory or part thereof subject to such exceptions and modifications as he may specify in the notification. **[Art 243-L]**

13.	Part not to apply to certain areas-	(1) Nothing in this part shall apply to the Scheduled Areas referred to in clause (1), and the tribal areas referred to in clause (2) of Article 244.
		
		(2) Nothing in this Part shall apply to-
		  a) The States of **Nagaland, Meghalaya** and **Mizoram**;
		  b) the Hill Areas in the State of **Manipur** for which District Councils exist under any law for the time being in force.

		(3) Nothing in this part- a) Relating to Panchayats at the district level shall apply to the hill areas of the **District of Darjeeling** in the **State of West Bengal** for which **Darjeeling Gorkha Hill Council** exists under any law for the time being in force b) Shall be construed to affect the functions and powers of the Darjeeling Gorkha Hill Council constituted under such law. (3A) Nothing in **article 243D**, relating to reservation of seats for the Scheduled Castes, shall apply to the State of **Arunachal Pradesh**. (4) Notwithstanding anything in this Constitution,- a) The Legislature of a State referred to in sub-clause (a) of clause (2) may, by law, extend this Part to that State, except the areas. If any, referred to in clause (1), if the Legislative Assembly of that State passes a resolution to that effect by a majority of the total membership of that House and by a majority 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: **b)** Parliament may by law extend the provisions of this Part to the Scheduled Areas and the Tribal Areas referred to in clause (1) subject to such exception and modifications as may be specified in such law, and no such law shall be deemed to be an amendment of this Constitution for the purposes of Article 368. **[Art. 243-M]**
14.	**Continuance of existing laws and Panchayats-**	Notwithstanding anything in this Part, any provision of any law relating to Panchayats in force in a State immediately before the commencement of the Constitution (Seventy-third Amendment) Act, 1992, which is inconsistent with the provisions of this Part, shall continue to be in force until amended or repealed by a competent Legislature or other competent authority or until the expiration of one year from such commencement, whichever is earlier: Provided that all the Panchayats existing immediately before such commencement shall continue till the expiration of their duration, unless sooner dissolved by a resolution passed to that effect by the Legislative Assembly of that State or, in the case of a State having a Legislative Council, by each House of the Legislature of that State. **[Art. 243-N]**
15.	**Bar to interference by Courts in electoral matters-**	Notwithstanding anything in his Constitution- i. the validity of any law relating to the delimitation of constituencies or the allotment of such constituencies, made or purporting to be made under **Article 243-K**, shall not be called in question **in any court**. ii. No election to any Panchayat shall be called in question except by an election petition presented to such authority and in such manner as is provided for by or under any law made by the Legislature of a State. **[Art. 243-0]**

Functions of Gram Panchayat
a. Representative Functions:
The Sarpanch, Members and Gram Sevak represent the voice and opinion of the village people on behalf of the Gram Panchayat to the Taluka and Zilla level by attending the meetings or sending the official records.

b. Regulatory and Administrative Functions:
1. This institute solving the disputes of village people as individual or groups.
2. They control the behavior of people of people. Collect their opinion about various programmes.
3. Gram Panchayat implements the official programme given by the authorities.
4. Conduct regular meetings and keeps records for various departments.
5. The measures are enforced for the desired safety and sanitation of the village people.

c. Service or Development Functions:
1. Collection of taxes like house etc.
2) Promotion of educational, health, agriculture and communication facilities.
3) Providing health and drinking water facilities whenever the village people need.
4) Produce authentic documents regarding birth, death or property details of village people.
5) Looks after general welfare and immediate development of village e.g. road, fight, bazaar, community facilities etc.
6) It makes sanitary arrangement in the village.
7) It makes arrangements for pure drinking water and of pouring medicine in the wells, tanks etc.
8) It makes arrangements for street & road lights.
9) It opens libraries & reading rooms in the village.
10) It gets trees planted & looks after them.
11) It tries for the promotion of animal husbandry.
12) It tries for the development of cottage industry so that unemployed villages get employment.
13) It helps people economically in case of floods, famine & drought.
14) It makes arrangements for fairs, exhibition, wrestling matches & kabaddi matches for providing recreation to the people.
15) It constructs & maintains stress, road & bridges in the village.

Defects in Panchayati Raj System in India
1. Unscientific distribution of functions:
The Panchayati Raj scheme is defective in so far as the distribution of functions between the structures at different levels has not been made along scientific lines. The blending of development and local self-government functions has significantly curtailed the autonomy of the local self government institutions. Again it has virtually converted them into governmental agencies. Even the functions assigned to the Panchayat and the Panchayat Samiti overlap, leading to confusion, duplication of efforts and shifting of responsibility.

2. Incompatible relation between the three-tiers:
The three-tiers do not operate as functional authorities. The tendency on the part of the higher structure to treat the lower structure as its subordinate is markedly visible. M. P. Sharma rightly observes the hierarchical domination and predominance, "fitters down step by step from Zilla Parishad to Panchayat Samiti and from them to the Village Panchayats" Needless to state that this kind of mutual relationship is not in comensurate with the genuine spirit of democratic decentralisation.

3. Inadequate finance:
The inadequacy of funds has also stood in the way of successful working of the Panchayati Raj. The Panchayati Raj bodies have limited powers in respect of imposing cesses and taxes. They have very little

funds doled out to them by the State Government. Further, they are generally reluctant to raise necessary funds due to the fear of losing popularity with the masses.

4. Lack of cordial relation between officials and people:

Introduction of the Panchayati Raj aimed at securing effective participation of the people. But in reality this hardly happens since the key administrative and technical positions are manned by the government officials.

Generally there is lack of proper cooperation and coordination between the people and the officials like Block Development Officers, the District Officers etc. Again the officers fail to discharge the development duties more efficiently and sincerely.

5. Lack of conceptual clarity:

There is lack of clarity in regard to the concept of Panchayati Raj itself and the objectives for which it stands. Some would treat it just as an administrative agency while some others look upon it as an extension of democracy at the grass roots level, and a few others consider it a charter of rural local government. What is all the more intriguing is the fact that all these conceptual images could co-exist simultaneously tending to militate against each other every now and then.

6. Undemocratic composition of various Panchayati Raj institutions:

Various Panchayati Raj Institutions are constituted setting aside democratic norms and principles. The indirect election of most of the members to Panchayat Samiti only increases the possibility of corruption and bribery. Even the Zilla Parishad consists of mainly ex-officio members. They are, for the most part, government officials. This negates sound democratic principles.

7. Disillusionment on structural-functional front:

The performance of Panchayati Raj Institutions has been vitiated by political cum caste factionalism, rendering developmental projects into chimeras. Corruption, inefficiency, scant regard for procedures, political interference in day to day administration, parochial loyalties, motivated actions, power concentration instead of true service mentality- all these have stood in the way of the success of Panchayati Raj. Furthermore, the power to supercede the local bodies on the part of the State Government clearly violates the spirit of democratic decentralisation.

8. Administrative Problem:

The Panchayati Raj bodies experience several administrative problems. They are the tendency towards politicization of the local administration, lack of co-ordination between the popular and bureaucratic elements, lack of proper incentives and promotion opportunities for administrative personnel and apathetic attitude of the government servants towards development programmes etc.

9. Politics is an inevitable part of a democratic frame -work:

The manipulative nature of rural politics is manifest in the techniques used at the time of elections. The fact-finding research teams observe that the caste system in rural India has made a mockery of the concept of rural development. Even the Panchayat elections are fought on caste grounds and the traditional dominant castes have manoeuvred in such a way that they still occupy the positions of power in the changed set-up.

Once the dominant castes have managed to occupy important positions where the decisions are made, they find it easy to manipulate the plans to serve their best interests. Consequently, the schism of caste grows wider day by day, alienating the low castes farther and farther from participating in rural development programmes.

The political elite in the villages develops a vested interest in the perpetuation of the caste system. As a result, the Panchayats which were to bring about social changes have themselves become victims of caste divisions. As K. Seshadri pointed out, the institution which was created to bring changes in the socio-economic structure, due to the mere logic of the situation, legitimises the authority of socially and economically well-off persons.

10. It is being increasingly noticed that the **Panchayati Raj Institutions are viewed only as organization al arms of political parties,** especially of the ruling party in the state. The State Government, in most states, allows the Panchayati Raj Institutions to function only upon expediency rather than any commitment to the philosophy of democratic decentralisation.

PUBLIC ADMINISTRATION & LAW/ JUDICIARY
1) "Public administration is detailed and systematic execution of Law." [Woodrow Wilson].
2) Wider view includes judiciary into public administration.
3) As per Narrower view, only execution of law is public administration.
4) Judiciary acts as a watchdog for the execution of policies by public administration.
5) Judiciary safeguards the Rights of the Citizens.
6) Law helps in maintaining the order in the society.
7) Judicial Review
8) Judicial Activism
9) Judiciary facilitates execution of public policies by Public Administration.
10) Judiciary acts as a safety valve for the grievances of the citizens.
11) Judiciary helps in maintaining law and order administration.
12) Independent Judiciary and Rule of Law are basic tenants of Good Governance.
13) New emerging challenges in Public Administration require better coordination with Judiciary.
14) Judiciary facilitates change management in Public Administration.
15) NPM has increased the role of Law in Public Administration.
16) Law helps in Development Administration.
17) Law also facilitates International Public Administration.
18) Cyber Law and Cyber Crime
19) Intellectual Property Rights Administration
20) Law helps to make public administration more transparent, responsible and responsive.
21) Issues various writs for the implementation of rights of citizens.

Basis of Judicial Control over Administration
Rule of Law
The **rule of law** primarily refers to the influence and authority of law within society, especially as a constraint upon behavior, including behavior of government officials. The phrase can be traced back to the 16th century, and it was popularized in the 19th century by British jurist A. V. Dicey. The concept was familiar to ancient philosophers such as Aristotle, who wrote "Law should govern". Rule of law implies that every citizen is subject to the law, including law makers themselves. It stands in contrast to the idea that the ruler is above the law, for example by divine right.

Despite wide use by politicians, judges and academics, the rule of law has been described as "an exceedingly elusive notion" giving rise to a "rampant divergence of understandings ... everyone is for it but have contrasting convictions about what it is."

At least two principal conceptions of the rule of law can be identified: a formalist or "thin" definition, and a substantive or "thick" definition. Formalist definitions of the rule of law do not make a judgment about the "justness" of law itself, but define specific procedural attributes that a legal framework must have in order to be in compliance with the rule of law. Substantive conceptions of the rule of law go

beyond this and include certain substantive rights that are said to be based on, or derived from, the rule of law.

Meaning and Interpretation

The *Oxford English Dictionary* has defined "rule of law" this way:

The authority and influence of law in society, esp. when viewed as a constraint on individual and institutional behaviour; (hence) the principle whereby all members of a society (including those in government) are considered equally subject to publicly disclosed legal codes and processes.

Rule of law implies that every citizen is subject to the law. It stands in contrast to the idea that the ruler is above the law, for example by divine right.

Despite wide use by politicians, judges and academics, the rule of law has been described as "an exceedingly elusive notion". According to political theorist Judith N. Shklar, "the phrase 'the Rule of Law' has become meaningless thanks to ideological abuse and general over-use", but nevertheless this phrase has in the past had specific and important meanings.

Among modern legal theorists, one finds that at least two principal conceptions of the rule of law can be identified: a formalistor "thin" definition, and a substantive or "thick" definition; one occasionally encounters a third "functional" conception.Formalist definitions of the rule of law do not make a judgment about the "justness" of law itself, but define specific procedural attributes that a legal framework must have in order to be in compliance with the rule of law. Substantive conceptions of the rule of law go beyond this and include certain substantive rights that are said to be based on, or derived from, the rule of law.

Most legal theorists believe that the rule of law has purely formal characteristics, meaning that the law must be publicly declared, with prospective application, and possess the characteristics of generality, equality, and certainty, but there are no requirements with regard to the content of the law. Others, including a few legal theorists, believe that the rule of law necessarily entails protection of individual rights. Within legal theory, these two approaches to the rule of law are seen as the two basic alternatives, respectively labelled the formal and substantive approaches. Still, there are other views as well. Some believe that democracy is part of the rule of law.

The "formal" interpretation is more widespread than the "substantive" interpretation. Formalists hold that the law must be prospective, well-known, and have characteristics of generality, equality, and certainty. Other than that, the formal view contains no requirements as to the content of the law. This formal approach allows laws that protect democracy and individual rights, but recognizes the existence of "rule of law" in countries that do not necessarily have such laws protecting democracy or individual rights.

The substantive interpretation holds that the rule of law intrinsically protects some or all individual rights.

The functional interpretation of the term "rule of law", consistent with the traditional English meaning, contrasts the "rule of law" with the "rule of man." According to the functional view, a society in which government officers have a great deal of discretion has a low degree of "rule of law", whereas a society in which government officers have little discretion has a high degree of "rule of law". Upholding the rule of law can sometimes require the punishment of those who commit offenses that are justifiable under natural law but not statutory law. The rule of law is thus somewhat at odds with flexibility, even when flexibility may be preferable.

The ancient concept of rule *of* law can be distinguished from rule *by* law, according to political science professor Li Shuguang: "The difference is that, under the rule of law, the law is preeminent and can serve as a check against the abuse of power. Under rule by law, the law is a mere tool for a government that suppresses in a legalistic fashion.

Dicey's Rule of Law
he Rule of Law aims to prevent the exercise of arbitrary or tyrannical power. It became popularized by **AV Dicey**, who described it through three main tenets:
1. *A man can only be punished if it was proved in court that he breached a law.*
   This means that the Sovereign cannot punish people arbitrarily.
2. *No man is above the law, and everyone is equal before the law.*
   This means that the law applies to everyone in the exact same way regardless of social, economic or political status.
3. *The Constitution (the law) is the result of previous judicial decisions determining the rights of private persons.*
   This means the constitution is not the source of the law, but the consequence of inherent rights. We don't derive our rights from the Constitution; the Constitution is the result of our rights.

Scope of Judicial Control over Administration
1) Lack of Jurisdiction
2) Error of Law
3) Error in Fact Finding
4) Abuse of Authority
5) Error of Procedure.

Methods of Judicial Control over Administration:
1) Judicial Review
2) Statutory Appeals
3) Suits against Public Officials
4) Writs

Unit V Public Relations and Public Opinion

1	Public Relations.
2	Planning in India
3	Ombudsman
4	Right to information
5	Public Opinion

PUBLIC RELATIONS

Public relations, despite being over a century old across the world, began in India in the early 1990s. Though there were several individuals and small companies which started even before that, they offered PR with the limited scope of media relations only. It was only natural that the entrepreneurs who began these services came from a background of journalism, seen as a natural hunting ground for the nascent PR industry.

Definition:

- Ivy Lee and Edward Louis Bernays established the first definition of public relations in the early 1900s as follows: "a management function, which tabulates public attitudes, defines the policies, procedures, and interests of an organization... followed by executing a program of action to earn public understanding and acceptance." However, when PR pioneer Ivy Lee was later asked about his role in a hearing with the United Transit Commission, he said "I have never been able to find a satisfactory phrase to describe what I do."

- In 1948, historian Eric Goldman noted that the definition of public relations in Webster's would be "disputed by both practitioners and critics in the field."

- In August 1978, the World Assembly of Public Relations Associations defined the field as "the art and social science of analyzing trends, predicting their consequences, counseling organizational leaders, and implementing planned programs of action, which will serve both the organization and the public interest."

- Public Relations Society of America, a professional trade association, defined public relations in 1982 as:
  "Public relations helps an organization and its publics adapt mutually to each other."

- In 2011 and 2012, the PRSA developed a crowd-sourced definition:
  "Public relations is a strategic communication process that builds mutually beneficial relationships between organizations and their publics."

- Public relations can also be defined as the practice of managing communication between an organization and its publics.

PR in India

India came with many advantages in the context of PR - it showed a consistently high growth rate of the economy; the initial penetration of PR had been low leaving much scope for growth, the internet & traditional media also penetrated exponentially giving rise to the quick rise of PR in India. Though some international PR agencies (usually offshoots of advertising agencies) like Ogilvy PR set base in India in mid-1980s, they floundered to find a firm footing especially since their core focus remained mainly in advertising services. By the early 1990s, after the opening up of the Indian economy, several other PR agencies, notably Perfect Relations, 20:20 MSL (erstwhile 20:20 MEDIA), Text 100 and [Genesis] started

with a core focus on PR alone. This decade also saw the advent of Indian IPO agencies offshoots like Ad factors PR began to offer PR services as a freebee along with their IPO services. These recent past b2p relations has been emerging as a best PR practice in Chennai. And media monitoring across South India is now made possible through b2p relations.

Crisis in PR

On January 7, 2009, Ramalinga Raju, the erstwhile chairman of Satyam Ltd., India's leading IT firm, made an admission of conscious fraud & misreporting perpetrated by him over several years. The media who had eulogized him till then, suddenly turned on him with a vengeance, conscious that they had also failed in their duty as watchdogs of businesses. This crisis, coincided with the peak of the global crisis and held the potential to snowball into a credibility & trust issue for brand India and its IT firms, where several billion dollars worth of services were being outsourced every year. The crisis also impacted several companies associated with Satyam including EMRI (Emergency Medical Response Insititute), a not-for-profit endeavour (for running free ambulance services) in which Satyam had committed 5% of running costs with the balance 95% coming from various state governments.

However, the Indian government took quick action and set up an interim board consisting of industry stalwarts for the company to assess the true worth of Satyam and to seek a suitable investor & management. The swiftly conducted and fiercely contested bid was won by Mahindra & Mahindra and Satyam was merged with a group IT company.

This swift & timely execution and the confidence-building-measures taken by the interim board helped regain faith by the customers and the world at large in the Indian IT industry.

Growth of PR in India

The Assocham report released in March 2010 shows the growth of the PR industry in India to grow to US$6 billion by end of 2010 with a CAGR of approximately 32%. The study reports the biggest challenges of the PR industry to be the following:

- Lure of better pay: Skilled manpower is scarce, professionals will be poached for higher salaries.
- Leadership crisis: Not too many established players, presenting a crisis of leadership in middle & smaller firms, which makes people move to larger, more reputed PR agencies.
- Lack of understanding of PR: Most people, even from sibling professions, don't understand PR.
- Perception issues: Many stakeholders, including media and corporate organizations, consider PR to be similar to that of a spin job.
- Considering this, for this fledgling, but fast growing sector to flourish, the need of academic rigor and theoretical pedagogy is essential.

PR machinery in India

- Government of publicity
- Broadcasting
- Film
- Newspaper

- Radio
- 5 year plan
- Press Information Bureau
- Publication

Obstacles in PR way

- Complexity in modern Govt.
- General public attitude
- Appreciation from public officials

- Limited funding
- Impartial
- Corruption

Need for Public Relations:

1) Expansion of State Activities.
2) Safeguard against public criticism
3) Change in Public Policies

4) Role of a Salesman
5) Helps in Co-ordination
6) Change Management

7) Awareness and Educating people.

8) Helps in proper implementation of programmes.

Functions of Public Relations Department:
1) Release of Departmental News.
2) Explanations
3) Background Information.
4) Persuasion
5) Direct Sale.

Methods and Techniques of Public Relations:
1) Communication
2) Press and Publication
3) Radio
4) Films and Other Audiovisual Aids
5) Advertising
6) Public Speaking
7) Research and Opinion Survey

Media of Public Relations in India:
1) All India Radio
2) Television
3) Press Information Bureau
4) Publication Division
5) Directorate of Advertising and Visual Publicity
6) Films Division
7) Central Board of Film Censors
8) Research and Reference Division
9) Office of the Registrar of Newspapers of India
10) Five Year Plan Publicity Division
11) Indian Institute of Publics Relations

Essentials of Successful Public Relations:
1) PRO must be a competent man.
2) Purity of Character and Conduct
3) Use of Method of Public Relations Methods corresponding to the standard of living of the prople.
4) Impartial, True and Factual Information
5) Should be from the inspiration of the people, corresponding to the people and in confidence of the people.
6) Inclusive Character
7) Acts should be true, clear, certified and responsible.
8) No bureaucratic attitude
9) Public Grievances and Redressal Mechanism.
10) Enquiry Office in every department
11) Courteous Behavior.

PLANNING IN INDIA
Since Independence, the Indian economy has been premised on the concept of planning. This has been carried through the **Five-Year Plans**, developed, executed, and monitored by the Planning Commission. With the Prime Minister as the ex-officio Chairman, the commission has a nominated Deputy Chairman, who holds the rank of a Cabinet Minister. Montek Singh Ahluwalia is currently the Deputy Chairman of the Commission. The Eleventh Plan completed its term in March 2012 and the Twelfth Plan is currently underway. Prior to the Fourth Plan, the allocation of state resources was based on schematic patterns rather than a transparent and objective mechanism, which led to the adoption of the Gadgil formula in 1969. Revised versions of the formula have been used since then to determine the allocation of central assistance for state plans.

History of Indian and Origin of FYP:
Though the planned economic development in India began in 1951 with the inception of First Five Year Plan , theoretical efforts had begun much earlier , even prior to the independence. Setting up of National Planning Committee by Indian National Congress in 1938 , The **Bombay Plan** & **Gandhian Plan** in 1944, **Peoples Plan** in 1945 (by post war reconstruction Committee of Indian Trade Union), **Sarvodaya Plan** in 1950 by Jaiprakash Narayan were steps in this direction.

Five-Year Plans (FYPs) are centralized and integrated national economic programs. Joseph Stalin implemented the first FYP in the Soviet Union in the late 1920s. Most communist states and several capitalist countries subsequently have adopted them. China and India both continue to use FYPs, although China renamed its
Eleventh FYP, from 2006 to 2010, a guideline (guihua), rather than a plan (jihua), to signify the central government's more hands-off approach to development.

After independence, India launched its First FYP in 1951, under socialist influence of first Prime Minister Jawaharlal Nehru. The process began with setting up of Planning Commission in March 1950 in pursuance of declared objectives of the Government to promote a rapid rise in the standard of living of the people by efficient exploitation of the resources of the country, increasing production and offering opportunities to all for employment in the service of the community. The Planning Commission was charged with the responsibility of making assessment of all resources of the country, augmenting deficient resources, formulating plans for the most effective and balanced utilisation of resources and determining priorities.

The first Five-year Plan was launched in 1951 and two subsequent five-year plans were formulated till 1965, when there was a break because of the Indo-Pakistan Conflict. Two successive years of drought, devaluation of the currency, a general rise in prices and erosion of resources disrupted the planning process and after three Annual Plans between 1966 and 1969, the fourth Five-year plan was started in 1969.

The Eighth Plan could not take off in 1990 due to the fast changing political situation at the Centre and the years 1990-91 and 1991-92 were treated as Annual Plans. The Eighth Plan was finally launched in 1992 after the initiation of structural adjustment policies.

For the first eight Plans the emphasis was on a growing public sector with massive investments in basic and heavy industries, but since the launch of the Ninth Plan in 1997, the emphasis on the public sector has become less pronounced and the current thinking on planning in the country, in general, is that it should increasingly be of
an indicative nature.

Objectives of Economic Planning in India
Planning without an objective is like driving without any destination. There are generally two sets of objectives for planning, namely the short-term objectives and the long-term objectives. While the short-term objectives vary from plan to plan, depending on the immediate problems faced by the economy, the process of planning is inspired by certain long term objectives. In case of our Five Year plans, the long-term objectives are:

(i) A high rate of growth with a view to improvement in standard of living.
(ii) Economic self-reliance;
(iii) Social justice and
(iv) Modernization of the economy

(v) Economic stability

(i) High Rate of Growth

All the Indian Five Year Plans have given primary importance to higher growth of real national income. During the British rule, Indian economy was stagnant and the people were living in a state of abject poverty. The Britishers exploited the economy both through foreign trade and colonial administration. While the European industries flourished, the Indian economy was caught in a vicious circle of poverty. The pervasive poverty and misery were the most important problem that has to be tackled through Five Year Plan.

During the first three decades of planning, the rate of economic growth was not so encouraging in our economy Till 1980, the average annual growth rate of Gross Domestic Product was 3.73 percent against the average annual growth rate of population at 2.5 percent. Hence the per-capita income grew only around 1 percent. But from the 6**th** plan onwards, there has been considerable change in the Indian economy. In the Sixth, Seventh and Eight plan the growth rate was 5.4 percent, 5.8 percent and 6.8 percent respectively. The Ninth Plan, started in 1997 targeted a growth rate of 6.5 percent per annum and the actual growth rate was 6.8 percent in 1998 - 99 and 6.4 percent in 1999 - 2000. This high rate of growth is considered a significant achievement of the Indian planning against the concept of a Hindu rate of growth.

(ii) Economic Self Reliance

Self reliance means to stand on one's own legs. In the Indian context, it implies that dependence on foreign aid should be as minimum as possible. At the beginning of planning, we had to import food grains from USA to meet our domestic demand. Similarly, for accelerating the process of industrialization, we had to import, capital goods in the form of heavy machinery and technical know-how. For improving infrastructure facilities like roads, railways, power, we had to depend on foreign aid to raise the rate of our investment.

As excessive dependence on foreign sector may lead to economic colonialism, the planners rightly mentioned the objective of self-reliance from the third Plan onwards. In the Fourth Plan much emphasis was given to self-reliance, more specially in the production of food grains. In the Fifth Plan, our objective was to earn sufficient foreign exchange through export promotion and important substitution.

By the end of the fifth plan, Indian became self-sufficient in food-grain production. In 1999-2000, our food grain production reached a record of 205.91 million tons. Further, in the field of industrialization, now we have strong capital industries based on infrastructure. In case of science and technology, our achievements are no less remarkable. The proportion of foreign aid in our plan outlays have declined from 28.1 percent in the Second Plan to 5.5 percent in the Eighth Plan. However, in spite of all these achievements, we have to remember that hike in price of petroleum products in the inter national market has made self-reliance a distant possibility in the near future.

(iii) Social Justice:

Social justice means to equitably distribute the wealth and income of the country among different sections of the society. In India, we find that a large number of people are poor; while few lead a luxurious life. Therefore, another objective of development is to ensure social justice and to take care of the poor and weaker sections of the society. The Five-Year Plans have highlighted four aspects of social justice. They are:

(i) Application of democratic principles in the political structure of the country;
(ii) Establishment of social and economic equity and removal of regional disparity;
(iii) Putting an end to the process of centralization of economic power; and

(iv) Efforts to raise the condition of backward and depressed classes.

Thus the Five Year Plans have targeted to uplift the economic condition of socio-economically weaker sections like scheduled caste and tribes through a number of target oriented programmes. In order to reduce the inequality in the distribution of landed assets, land reforms have been adopted. Further, to reduce regional inequality specific programmes have been adopted for the backward areas of the country.

In spite of various efforts undertaken by the authorities, the problem of inequality remains as great as ever. According to World Development Report (1994) in India the top 20 percent of household enjoy 39.3 percent of the national income while the lowest 20 percent enjoy only 9.2 percent of it. Similarly, another study points out that the lowest 40 percent of rural household own only 1.58 percent of total landed asset while the top 5.44 percent own around 40 percent of land. Thus the progress in the field of attaining social justice has been slow and not satisfactory.

(iv) Modernization of the Economy:
Before independence, our economy was backward and feudal in character. After attainment of independence, the planners and policy makers tried to modernize the economy by changing the structural and institutional set up of the country. Modernization aims at improving the standard of living of the people by adopting a better scientific technique of production, by replacing the traditional backward ideas by logical reasoning's and bringing about changes in the rural structure and institutions.

These changes aim at increasing the share of industrial output in the national income, upgrading the quality of products and diversifying the Indian industries. Further, it also includes expansion of banking and non-banking financial institutions to agriculture and industry. It envisages modernization of agriculture including land reforms.

(v) Economic Stability:
Economic stability means to control inflation and unemployment. After the Second Plan, the price level started increasing for a long period of time. Therefore, the planners have tried to stabilize the economy by properly controlling the rising trend of the price level. However, the progress in this direction has been far from satisfactory.
Thus the broad objective of Indian plans has been a non-inflationary self-reliant growth with social justice.

Steps of Planning Process:
1) Determination of aims and objectives.
2) Assessment of Resources
3) To plan action and programmes.
4) Evaluation of Plans and Programmes.

Characteristics of Good Planning:
1) Clearly defined objectives
2) Simple
3) Flexible
4) Provides for proper analysis and classification of action
5) Balanced.
6) Judicious utilization of resources.

Kinds of Planning:
1) International Planning
2) National Economic Planning

3) City Planning
4) Administrative Planning
    i.   Policy Planning
    ii.   Programme Planning
    iii. Operational Plannning.

Planning in India:
Now modi sarkar

Since Independence, the Indian economy has been premised on the concept of planning. This has been carried through the **Five-Year Plans**, developed, executed, and monitored by the Planning Commission. With the Prime Minister as the ex-officio Chairman, the commission has a nominated Deputy Chairman, who holds the rank of a Cabinet Minister. Montek Singh Ahluwalia is currently the Deputy Chairman of the Commission. The Eleventh Plan completed its term in March 2012 and the Twelfth Plan is currently underway. Prior to the Fourth Plan, the allocation of state resources was based on schematic patterns rather than a transparent and objective mechanism, which led to the adoption of the Gadgil formula in 1969. Revised versions of the formula have been used since then to determine the allocation of central assistance for state plans.

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The First Five-Year Plan was one of the most important because it had a great role in the launching of Indian development after the Independence. Thus, it strongly supported agriculture production and it also launched the industrialization of the country (but less than the Second Plan, which focused on heavy industries). It built a particular system of mixed economy, with a great role for the public sector (with an emerging welfare state), as well as a growing private sector (represented by some personalities as those who published the Bombay Plan).

5 essential objectives of economic planning in India:
Planning without an objective is like driving without any destination. There are generally two sets of objectives for planning, namely the short-term objectives and the long-term objectives. While the short-term objectives vary from plan to plan, depending on the immediate problems faced by the economy, the process of planning is inspired by certain long term objectives. In case of our Five Year plans, the long-term objectives are:
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(iii) Putting an end to the process of centralization of economic power; and
(iv) Efforts to raise the condition of backward and depressed classes.
 (iv) Modernization of the Economy:
(v) Economic Stability:
Planning Commission of India
The **Planning Commission** is an institution in the Government of India, which formulates India's Five-Year Plans, among other functions. It is located at Yojana Bhawan, Sansad Marg, New Delhi. It was established in accordance with article 39 of the constitution which is a part of directive principles of state policy.

Rudimentary economic planning, deriving the sovereign authority of the state, first initiated in India in 1938 by Netaji Subhash Chandra Bose when he was the Congress president and drafted by Meghnad Saha. The British Raj also formally established a planning board that functioned from 1944 to 1946. Industrialists and economists independently formulated at least three development plans in 1944.Some scholars have argued that the introduction of planning as an instrument was to transcend the ideological divisions between Gandhi and Nehru[1] Some other scholars have argued that Planning Commission as a central agency in the context of plural democracy in India needs to carry out more functions than rudimentary economic planning.

After India gained independence, a formal model of planning was adopted, and accordingly the Planning Commission, reporting directly to the Prime Minister of India was established on 15 March 1950, with prime minister Jawaharlal Nehru as the chairman. The Planning Commission does not derive its creation from either the Constitution or statute, but is an arm of the Central/Union Government.

The first Five-year Plan was launched in 1951 which mainly focused in development of agricultural sector and two subsequent five-year plans were formulated till 1965, when there was a break because of the Indo-Pakistan Conflict. Two successive years of drought, devaluation of the currency, a general rise in prices and erosion of resources disrupted the planning process and after three Annual Plans between 1966 and 1969, the fourth Five-year plan was started in 1969.

The Eighth Plan could not take off in 1990 due to the fast changing political situation at the Centre and the years 1990–91 and 1991–92 were treated as Annual Plans. The Eighth Plan was finally launched in 1992 after the initiation of structural adjustment policies.

For the first eight Plans the emphasis was on a growing public sector with massive investments in basic and heavy industries, but since the launch of the Ninth Plan in 1997, the emphasis on the public sector has become less pronounced and the current thinking on planning in the country, in general, is that it should increasingly be of an indicative nature.

Organization
The composition of the Commission has undergone a lot of change since its inception. With the prime minister as the *ex officio* Chairman, the committee has a nominated Deputy chairman, who is given the rank of a full Cabinet Minister. Mr. Montek Singh Ahluwalia is presently the Deputy Chairman of the Commission.
Cabinet Ministers with certain important portfolios act as *ex officio* members of the Commission, while the full-time members are experts of various fields like Economics, Industry, Science and General Administration.

Present *ex officio* members of the Commission, are Finance Minister, Agriculture Minister, Home Minister, Health Minister, Chemicals and Fertilisers Minister, Information Technology Minister, Law Minister, HRD Minister and Minister of State for Planning.

The Commission works through its three divisions:
   i.   Programmes Advisors
   ii. General Secretariat
   iii. Technical Branch

The majority of experts in the Commission are economists, making the Commission the biggest employer of the Indian Economic Services.

Functions
The Planning Commission's functions as outlined by the Government's 1950 resolution are following:
1. To make an assessment of the material, capital and human resources of the country, including technical personnel, and investigate the possibilities of augmenting those are related resources which are found to be deficient in relation to the nation's requirement.
2. To formulate a plan for the most effective and balanced utilisation of country's resources.
3. To define the stages, on the basis of priority, in which the plan should be carried out and propose the allocation of resources for the due completion of each stage.
4. To indicate the factors that tend to retard economic development.
5. To determine the conditions which need to be established for the successful execution of the plan within the incumbent socio-political situation of the country.
6. To determine the nature of the machinery required for securing the successful implementation of each stage of the plan in all its aspects.
7. To appraise from time to time the progress achieved in the execution of each stage of the plan and also recommend the adjustments of policy and measures which are deemed important vis-a-vis a successful implementation of the plan.
8. To make necessary recommendations from time to time regarding those things which are deemed necessary for facilitating the execution of these functions. Such recommendations can be related to the prevailing economic conditions, current policies, measures or development programmes. They can even be given out in response to some specific problems referred to the commission by the central or the state governments.

From a highly centralised planning system, the Indian economy is gradually moving towards indicative planning where the Planning Commission concerns itself with the building of a long-term strategic vision of the future and decide on priorities of nation. It works out sectoral targets and provides promotional stimulus to the economy to grow in the desired direction. It also plays an integrative role in the development of a holistic approach to the policy formulation in critical areas of human and economic development. In the social sector, schemes that require co-ordination and synthesis like rural health, drinking water, rural energy needs, literacy and environment protection have yet to be subjected to coordinated policy formulation. It has led to multiplicity of agencies. The commission has now been trying to formulate an integrated approach to deal with this issue. The Planning Commission has asked the States to hike the power tariff to save the ailing power sector. It also called upon the States to utilize the power subsidy for improvement to essential services like drinking water supply, education and health for promoting inclusive growth.

Criticism of Planning Commission:
   i.   Super Cabinet

ii.   The Chairmanship
iii.   Power and Patronage
iv.   Lack of Specialization
v.   Lack of popular support.

Steps in Planning

1.	Plan Formulation	i. Preparation of Draft Plan ii. Self Preparation of Plans iii. Comprehensive Draft of National Plan iv. Approval of the Parliament.
2.	Plan Implementation	
3.	Plan Evaluation	The plan evaluation is made through the following agencies: i. By annual reports of the Central and State Governments ii. By Programme Advisors iii. Committee on Plan Projects iv. Programme Evaluation Committee. v. Programme Evaluation Organization.

Planning Commissions turn into NITI Ayog

NITI Aayog or **National Institution for Transforming India Aayog** is a policy think-tank of Government of India that replaces Planning Commission and aims to involve the states in economic policy-making in India. It will be providing strategic and technical advice to the central and the state government's i.e. by adopting bottom-up approach rather than traditional top-down approach as in planning commission. The Prime Minister heads the Aayog as its chairperson.
On the first meet took place here at Delhi with sign board labelled as TEAM INDIA on 07/02/2015
Union Government of India had announced formation of NITI Aayog on 1 January 2015
There are a couple of things to be considered here. NITI Aayog would therefore mean:
• A group of people with authority entrusted by the government to formulate/regulate policies concerning transforming India.
• It is a commission to help government in social and economic issues.
• Also it's an Institute of think tank with experts in it.
India's Finance Minister Arun Jaitley made the following observation on the necessity of creating NITI Ayog: "The 65-year-old Planning Commission had become a redundant organization . It was relevant in a command economy structure, but not any longer. India is a diversified country and its states are in various phases of economic development along with their own strengths and weaknesses. In this context, a 'one size fits all' approach to economic planning is obsolete. It cannot make India competitive in today's global economy"

Renaming of PC
• May 29 ,2014 -> According to the first IEO(Independent Evaluation Office) assessment report which was submitted to Prime Minister Modi on May 29 , Planning Commission to be replaced by "control commission"[
• 15th -17th Aug. 2014 –> Govt. of India officials viewed Planning Commission to be replaced with a diluted version of the National Development and Reform Commission (NDRC) of China "
• 1st January 2015 –> Cabinet resolution to replace Planning Commission by NITI Aayog (National Institution for Transforming India)

Origin and formation
- 1950 : Planning commission was established
- May 29, 2014 : The first IEO(Independent Evaluation Office) assessment report was submitted to Prime Minister Modi on May 29, three days after he was sworn in. According to Ajay Chibber, who heads the IEO, views in the report are based on the views of stakeholders and some Planning Commission members themselves. Planning Commission to be replaced by "control commission"
- August 13, 2014 : Cabinet of Modi govt. scrapped the Planning Commission
- Aug. 15 2014 : Modi mentioned to replace Planning Commission by National Development and Reform Commission(NDRC) on the line of China

Members The NITI Aayog comprises the following:
1. Prime Minister of India as the Chairperson
2. Governing Council comprising the Chief Ministers of all the States and union territories with legislature and lieutenant governors of other Union Territories
3. Regional Councils will be formed to address specific issues and contingencies impacting more than one state or a region. These will be formed for a specified tenure. The Regional Councils will be convened by the Prime Minister and will be consist of the Chief Ministers of States and Lt. Governors of Union Territories in the region. These will be chaired by the Chairperson of the NITI Aayog or his nominee
4. Experts, specialists and practitioners with relevant domain knowledge as special invitees nominated by the Prime Minister
5. Full-time organizational framework (in addition to Prime Minister as the Chairperson) comprising
    1. Vice-Chairperson: Arvind Panagariya
    2. Members: Two (2) Full-time: economist Bibek Debroy and former DRDO chief V.K. Saraswat
    3. Part-time members: Maximum of two from leading universities research organizations and other relevant institutions in an ex-officio capacity. Part-time members will be on a rotational basis
    4. Ex Officio members: Maximum of four members of the Union Council of Ministers to be nominated by the Prime Minister
    5. Chief Executive Officer: To be appointed by the Prime Minister for a fixed tenure, in the rank of Secretary to the Government of India.Sindhushree khullar appointed as the Chief Executive Officer.
    6. Secretariat as deemed necessary

Present member
The various members of NITI Aayog are:
1. Chairperson: Prime Minister Narendra Modi
2. CEO: Sindhushree Khullar
3. Vice Chairperson: Arvind Panagariya
4. Ex-Officio Members: Rajnath Singh, Arun Jaitley, Suresh Prabhu and Radha Mohan Singh
5. Special Invitees: Nitin Gadkari, Smriti Zubin Irani and Thawar Chand Gehlot
6. Full-time Members: Bibek Debroy & V. K. Saraswat
7. Governing Council: All Chief Ministers and Lieutenant Governors of Union Territories

Diff between them

Financial clout	**NITI Aayog - To be an advisory body, or a think-tank. The powers to allocate funds might be vested in the**	**Planning Commission - Enjoyed the powers to allocate funds to ministries and state governments**

	finance ministry.	
Full-time members	NITI Aayog - The number of full-time members could be fewer than Planning Commission	Planning Commission - The last Commission had eight full-time members
States' role	NITI Aayog - State governments are expected to play a more significant role than they did in the Planning Commission	Planning Commission - States' role was limited to the National Development Council and annual interaction during Plan meeting
Member secretary	NITI Aayog - To be known at the CEO and to be appointed by the prime minister	Planning Commission - Secretaries or member secretaries were appointment through the usual process
Part-time members	NITI Aayog - To have a number of part-time members, depending on the need from time to time	Planning Commission - Full Planning Commission had no provision for part-time member.
Constitution	Niti Aayog - Governing Council has state chief ministers and lieutenant governors.	Planning Commission- The commission reported to National Development Council that had state chief ministers and lieutenant governors.
Organization	Niti Aayog - New posts of CEO, of secretary rank, and Vice-Chairperson. Will also have five full-time members and two part-time members. Four cabinet ministers will serve as ex-officio members.	Planning Commission - Had deputy chairperson, a member secretary and full-time members.
Participation	Niti Aayog- Consulting states while making policy and deciding on funds allocation. Final policy would be a result of that.	Planning Commission- Policy was formed by the commission and states were then consulted about allocation of funds.
Allocation	Niti Aayog- No power to allocate funds	Planning Commission- Had power to decide allocation of government funds for various programmes at national and state levels.
Nature	Niti Aayog- NITI is a think-tank and does not have the power to impose policies.	Planning Commission- Imposed policies on states and tied allocation of funds with projects it approved.
Aims and object of NITI Ayog	NITI Aayog will seek to provide a critical directional and strategic input into the development process.	The centre-to-state one-way flow of policy, that was the hallmark of the Planning Commission era, is now sought to be replaced by a genuine and

continuing partnership of states.

NITI Aayog will emerge as a "think-tank" that will provide Governments at the central and state levels with relevant strategic and technical advice across the spectrum of key elements of policy.

The NITI Aayog will also seek to put an end to slow and tardy implementation of policy, by fostering better Inter-Ministry coordination and better Centre-State coordination. It will help evolve a shared vision of national development priorities, and foster cooperative federalism, recognizing that strong states make a strong nation.

The NITI Aayog will develop mechanisms to formulate credible plans to the village level and aggregate these progressively at higher levels of government. It will ensure special attention to the sections of society that may be at risk of not benefitting adequately from economic progress.

The NITI Aayog will create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and partners. It will offer a platform for resolution of inter sectoral and inter-departmental issues in order to accelerate the implementation of the development agenda.

In addition, the NITI Aayog will monitor and evaluate the implementation of programmes, and focus on technology up gradation and capacity building.

Through the above, the NITI Aayog will aim to accomplish the following objectives and opportunities:

- An administration paradigm in which the Government is an "enabler" rather than a "provider of first and last resort."
- Progress from "food security" to focus on a mix of agricultural production, as well as actual returns that farmers get from their produce.
- Ensure that India is an active player in the debates and deliberations on the global commons.
- Ensure that the economically vibrant middle-class remains engaged, and its potential is fully realized.
- Leverage India's pool of entrepreneurial, scientific and intellectual human capital.
- Incorporate the significant geo-economic and geo-political strength of the Non-Resident Indian Community.
- Use urbanization as an opportunity to create a wholesome and secure habitat through the use of modern technology.
- Use technology to reduce opacity and potential for misadventures in governance.

The NITI Aayog aims to enable India to better face complex challenges, through the following:

- Leveraging of India's demographic dividend, and realization of the potential of youth, men and women, through education, skill development, elimination of gender bias, and employment
- Elimination of poverty, and the chance for every Indian to live a life of dignity and self-respect
- Redressal of inequalities based on gender bias, caste and economic disparities
- Integrate villages institutionally into the development process
- Policy support to more than 50 million small businesses, which are a major source of employment creation
- Safeguarding of our environmental and ecological assets.

OMBUDSMAN

An ombudsman or public advocate is usually appointed by the government or by parliament, but with a significant degree of independence, who is charged with representing the interests of the public by investigating and addressing complaints of maladministration or a violation of rights.

The Ombudsman

It was created for the Redressal of citizen's grievances. The institution of Ombudsman is typically Scandinavian. The office of Ombudsman has been in existence in Sweden since 1809 and in Finland since 1919. It was adopted by Denmark (1955), Norway and New Zealand (1962), and the United Kingdom appointed the Parliamentary Commissioner for Administration in 1967. Several countries in the world, including India, have adopted the ombudsman-like institution 'as a bulwark of democratic government against the tyranny of officialdom' in the words of Donald C. Rowat, who has studied the institution in great detail. His writings include The Ombudsman: Citizens' Defender, The Ombudsman Plan : Essays on the Worldwide Spread of an Idea, and Ombudsman Compared.

Appointment: Ombudsman, a Swedish word, stands for 'an officer appointed by the Legislature to handle complaints against administrative and judicial action.' Although appointed by the Legislature, the office of Ombudsman is a constitutional post and the incumbent is politically independent of the Legislature. Traditionally, the appointment is based on the unanimity principle with all political parties supporting the proposal.

Powers and Functions: The Ombudsman can make investigations both on his own initiative, on the basis of press reports, and on receiving a written complaint from the aggrieved person. He makes the investigations in an impartial manner, gets at the facts objectively, and reports back to the legislature. He has the power to inspect the courts and the administrative agencies. However, in Denmark, Norway and New Zealand the Ombudsman does not have the power to supervise the courts, and the Ombudsman's investigations are confidential in nature. His right to investigate does not authorize him to quash or reverse a decision, nor does he have direct control over the courts or the administrative agencies.

United Kingdom: The Parliamentary Commissioner or administration in the U.K. enjoys a status similar to the Comptroller and Auditor-General. His duty is to investigate cases of alleged maladministration referred to him by Members of Parliament. It is for the Commissioner to define what 'maladministration' is. The local authorities, hospital boards, nationalized industries, the police, personnel questions in the civil service and the armed forces are excluded from the purview of the Commissioner. Matters on which a right of appeal was open to the complainant and major policy questions that are subject to parliamentary control are also beyond his jurisdiction. He cannot inquire into the merits of discretionary administrative decisions that are taken legally in accordance with appropriate administrative procedure. He has free access to information except when it is certified by a Minister that the information called for could not be given in the public interest. The investigations conducted by the Commissioner are confidential in nature.

India: Proposals of M.C. Setalvad and Dr. L.M. Singhvi for creation of an ombudsman-like institution were endorsed by the Administrative Reforms Commission (A.R.C.) in 1966. The A.R.C. gave the institution the name of Lok Pal and recommended that he be empowered also to look into complaints of political and bureaucratic corruption besides other complaints. Thus, the Lok Pal Bill (1968) envisaged two types of complaints, one relating to allegations of corruption against Ministers and officials, and the other relating to grievances arising out of maladministration. The Bill incorporated detailed provisions for appointment and removal of the Lok Pal to make the office of a very high status and completely independent of the Government. His jurisdiction extended to actions of Ministers, and public servants except the actions of the judges. He was given the powers of summoning and enforcing attendance of witnesses, discovery of documents, requisition of public records, issue of commissions of inquiry , etc. The 1968 Bill was, however, allowed to lapse.

In 1977, another Bill was introduced which said nothing about redress of citizens grievances. It was confined to an inquiry into allegations of misconduct against public men — Ministers, MPs, and others —except Government servants. This provision was strongly criticized. The Bill finally lapsed. Another Bill was presented in 1985 which again skipped the aspect of citizen's grievances. Its scope was limited to inquiry into allegations of corruption against Union Ministers. Ultimately, the Government itself informed the Joint Committee that a more comprehensive Bill would soon be drafted. This Bill was thus dropped too.

The Lok Pal Bill was introduced by the National Front Government in December, 1989. It provides for inquiry into complaints of corruption against high political dignitaries including the Prime Minister. However, it does not extend to inquire against the President, the Vice- President, the Lok Sabha Speaker, Judges of the Supreme Court, Comptroller and Auditor- General, the Chief Election Commissioner or Chairman or any member of the UPSC. In case of allegations substantiated against a Minister, the Prime Minister will be the competent authority to decide the action on the Lok Pal's recommendation. If the Prime Minister is involved, the Lok Sabha is to take action.

Under the 1989 Lok Pal Bill three members will jointly act as Lok Pal, enjoying the salary and service conditions, including removal from office of judges of the Supreme Court. This is to ensure their objectivity and independence.

Lok Ayuktas: Some of the states in India have established Lok Ayuktas following the Administrative Regulatory Commission (ARC) recommendations.

The Procurator

Much like the institution of Ombudsman, the Procurator system which existed in the former Soviet Union, Hungary, Poland and Romania, played an important part in redressing citizens' grievances and in ensuring observance of legality at all administrative levels. The system still exists in China.

The Procurator system generally consisted of a 'central apparatus' and a number of subordinate offices. The entire system was organised on the principle of subordination of lower to higher procurator, the Procurator-General being responsible only to the Legislature.

Under the Procurator system an individual citizen could lodge a complaint with the procures.

The procures would, on receipt of complaint, take either of the following steps:

_ advise the complainant to avail of the ordinary administrative or judicial channel.

_ itself initiate administrative or judicial proceedings, if authorized to do so.

_ take action on the subject of the complaint and directly address the organ against which the complaint is received.

The Lokpal and Lokayukta Act, 2013
(No. 1 of 2014)
[1st January, 2014]

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Preamble

An Act to provide for the establishment of a body of Lokpal for the Union and Lokayukta for States to inquire into allegations of corruption against certain public functionaries and for matters connected therewith or incidental thereto.

WHEREAS the Constitution of India established a Democratic Republic to ensure justice for all;

AND WHEREAS India has ratified the United Nations Convention against Corruption;

AND WHEREAS the Government's commitment to clean and responsive governance has to be reflected in effective bodies to contain and punish acts of corruption;

NOW, THEREFORE, it is expedient to enact a law, for more effective implementation of the said Convention and to provide for prompt and fair investigation and prosecution in cases of corruption.

Some Important Point Regarding this Act:

➢ Whole India
➢ Chapter 15 and section 36
➢ Definitions 2 (a)to (s)
➢ Some Important definitions in Act:

a-"bench" means a bench of the Lokpal.

d-"Central Vigilance Commission" means the Central Vigilance Commission constituted under sub-section (*1*) of section 3 of the Central Vigilance Commission Act, 2003;

(*f*) "Delhi Special Police Establishment" means the Delhi Special Police Establishment constituted under sub-section (*1*) of section 2 of the Delhi Special Police Establishment Act, 1946;

(*g*) "Investigation" means an investigation as defined under clause (*h*) of section 2 of the Code of Criminal Procedure, 1973;

(*s*) "Special Court" means the court of a Special Judge appointed under sub-section (*1*) of section 3 of the Prevention of Corruption Act, 1988.

➢ Lokpal (CJI/SC Judge)
➢ Selection Committee

(*a*) the Prime Minister—Chairperson;

(*b*) the Speaker of the House of the People—Member;

(*c*) the Leader of Opposition in the House of the People—Member

(*d*) the Chief Justice of India or a Judge of the Supreme Court nominated by him—Member;

(*e*) one eminent jurist, as recommended by the Chairperson and Members referred to in clauses (*a*) to (*d*) above, to be nominated by the President—Member.

Purpose of Selection Committee: The Selection Committee shall for the purposes of selecting the Chairperson and Members of the Lokpal and for preparing a panel of persons to be considered for appointment as such, constitute a Search Committee consisting of at least seven persons of standing and having special knowledge and expertise in the matters relating to anti-corruption policy, public administration, vigilance, policy making, finance including insurance and banking, law and management or in any other matter which, in the opinion of the Selection Committee, may be useful in making the selection of the Chairperson and Members of the Lokpal.

➢ All appointment by President.
➢ Office of profit.
➢ There shall be a Secretary to the Lokpal in the rank of Secretary to Government of India, Inquire Wing (11) the Lokpal shall constitute an Inquiry Wing headed by the Director of Inquiry for the purpose of conducting preliminary inquiry into any offence alleged to have been committed by a public servant punishable under the Prevention of Corruption Act, 1988
➢ Prosecution Wing (12) The Lokpal shall, by notification, constitute a Prosecution Wing headed by the Director of Prosecution for the purpose of prosecution of public servants in relation to any complaint by the Lokpal.
➢ Section -13 Expenses Of Lokpal To Be Charged On Consolidated Fund Of India.
➢ Lokpal Power- The Lokpal shall, notwithstanding anything contained in section 4 of the Delhi Special Police Establishment Act, 1946 and section 8 of the Central Vigilance Commission Act, 2003, have the powers of superintendence over, and give direction to the Delhi Special Police Establishment in respect of the matters referred by the Lokpal for preliminary inquiry or investigation to the Delhi Special Police Establishment under this Act.
➢ CPC Procedure apply under this (27)
➢ Special court (35) complete trial in 1 year. And Provided that in case the trial cannot be completed within a period of one year, the Special Court shall record reasons therefor and complete the trial within a further period of not more than three months or such further periods not exceeding three months each, for reasons to be recorded in writing before the end of each such three months period, but not exceeding a total period of two years.
➢ Complaint against Chairperson or any Member shall not inquire by Lokpal
➢ Declaration of Assets and Liabilities by public servant to Lokpal
➢ Penalties false conviction 1yr-1Lacs.
➢ Report of Lokpal present to President
➢ No suit against public servant for legal proceeding lies under this act.
➢ The Lokpal shall not inquire or investigate into any complaint, if the complaint is made after the expiry of a period of seven years from the date on which the offence mentioned in such complaint is alleged to have been committed.
➢ No Civil Court shall have jurisdictions
➢ Power to make rule by Central Government
➢ Power of Lokpal to make regulations Establishment of Lokayukta Every State shall establish a body to be known as the Lokayukta for the State, if not so established, constituted or appointed, by a law made by the State Legislature, to deal with complaints relating to corruption against certain public functionaries, within a period of one year from the date of commencement of this Act.

RIGHT TO INFORMATION

Meaning - Right to information means the freedom of people to have access to government information. The social crusaders like Anna Hazare have launched public agitations to press for the right to information. As a result legislation was enacted by the Maharashtra state Legislature in 2003. The advocates of the Right to information maintain that in a democratic state the people are sovereign and they have right to access information on the policies and programmes of the government. They are opposed to the 'official secrets Act' of the pre 1947 period as people are deprived of vital information under the veil of secrecy. Barring the sensitive matters like defence and foreign policy; it is argued that there must be transparency in the working of government and this should be ensured by the Right to information.

Importance of Right to information:-
1. It will help to bring participatory democracy in India.
2. It will help to reduce the scope of corruption in public administration.
3. It will help to reduce the gap between administration and people.
4. It would lead to openness, accountability and integrity in administration.
5. Brings information for the citizens - Right to information Act 2005 mandates timely response to citizens' requests for government information.

Right to Information Act (RTI)[6]

The **Right to Information Act (RTI)** is an Act of the Parliament of India "to provide for setting out the practical regime of right to information for citizens" and replaces the erstwhile Freedom of information Act, 2002. The Act applies to all States and Union Territories of India except Jammu & Kashmir. Under the provisions of the Act, any citizen may request information from a "public authority" (a body of Government or "instrumentality of State") which is required to reply expeditiously or within thirty days. The Act also requires every public authority to computerise their records for wide dissemination and to proactively certain categories of information so that the citizens need minimum recourse to request for information formally. This law was passed by Parliament on 15 June 2005 and came fully into force on 13 October 2005. Information disclosure in India was restricted by the Official Secrets Act 1923 and various other special laws, which the new RTI Act relaxes.

Scope
The Act covers the whole of India except Jammu and Kashmir, where J&K Right to Information Act is in force. It is no to all constitutional authorities, including the executive, legislature and judiciary; any institution or body established or constituted by an act of Parliament or a state legislature. It is also defined in the Act that bodies or authorities established or constituted by order or notification of appropriate government including bodies "owned, controlled or substantially financed" by government, or non-Government organization s "substantially financed, directly or indirectly by funds" provided by the government are also covered in the Act.

Private bodies
Private bodies are not within the Act's ambit directly.

Political parties
The (CIC) has held that the political parties are public authorities are answerable to citizens under RTI Act. The CIC, a quasi-judicial body, has said that six national parties:- Congress, BJP, NCP, CPI(M), CPI and BSP and BJD have been substantially funded indirectly by the

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[6] Visit for whole law

Central Government and they have the character of public authority under the RTI Act as they perform public functions On 12 August 2013, the Congress Party tabled RTI Amendment Bill 2013 in Lok Sabha to keep political parties out of RTI ambit.

The Bill to amend the Act so as to keep political parties out of its ambit, was on September 3, 2013 deferred to the Winter Session of Parliament. On December 17, 2013 the Standing Committee on Law and Personnel said in its report tabled in Parliament.

"The committee considers the proposed amendment is a right step to address the issue once and for all. The committee, therefore, recommends for passing of the Bill,"

Process:
The RTI process involves reactive (as opposed to proactive) disclosure of information by the authorities. An RTI request initiates the process.

Each authority covered by the RTI Act must appoint their **Public Information Officer** (PIO). Any person may submit a written request to the PIO for information. It is the PIO's obligation to provide information to citizens of India who request information under the Act. If the request pertains to another public authority (in whole or part), it is the PIO's responsibility to transfer/forward the concerned portions of the request to a PIO of the other authority within 5 working days. In addition, every public authority is required to designate **Assistant Public Information Officers** (APIOs) to receive RTI requests and appeals for forwarding to the PIOs of their public authority. The applicant is required to disclose his name and contact particulars but not any other reasons or justification for seeking information.

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

The Act specifies time limits for replying to the request.
- If the request has been made to the PIO, the reply is to be given within **30 days** of receipt.
- If the request has been made to an APIO, the reply is to be given within **35 days** of receipt.
- If the PIO transfers the request to another public authority (better concerned with the information requested), the time allowed to reply is **30 days** but computed from the day after it is received by the PIO of the transferee authority.
- Information concerning corruption and Human Rights violations by scheduled Security agencies (those listed in the Second Schedule to the Act) is to be provided within **45 days** but with the prior approval of the Central Information Commission.
- However, if life or liberty of any person is involved, the PIO is expected to reply within **48 hours**.

Since the information is to be paid for, the reply of the PIO is necessarily limited to either denying the request (in whole or part) and/or providing a computation of "further fees". The time between the reply of the PIO and the time taken to deposit the further fees for information is excluded from the time allowed. If information is not provided within this period, it is treated as deemed refusal. Refusal with or without reasons may be ground for appeal or complaint. Further, information not provided in the times prescribed is to be provided free of charge. Appeal processes are also defined.

Information Exclusions

The following is exempt from disclosure under section 8 of the Act:-

- Information, disclosure of which would prejudicially affect the sovereignty and integrity of India, the security, "strategic, scientific or economic" interests of the State, relation with foreign State or lead to incitement of an offense;
- Information which has been expressly forbidden to be published by any court of law or tribunal or the disclosure of which may constitute contempt of court;
- Information, the disclosure of which would cause a breach of privilege of Parliament or the State Legislature;
- Information including commercial confidence, trade secrets or intellectual property, the disclosure of which would harm the competitive position of a third party, unless the competent authority is satisfied that larger public interest warrants the disclosure of such information;
- Information available to a person in his fiduciary relationship, unless the competent authority is satisfied that the larger public interest warrants the disclosure of such information;
- Information received in confidence from foreign Government;
- Information, the disclosure of which would endanger the life or physical safety of any person or identify the source of information or assistance given in confidence for law enforcement or security purposes;
- Information which would impede the process of investigation or apprehension or prosecution of offenders;
- Cabinet papers including records of deliberations of the Council of Ministers, Secretaries and other officers;
- Information which relates to personal information the disclosure of which has no relationship to any public activity or interest, or which would cause unwarranted invasion of the privacy of the individual (but it is also provided that the information which cannot be denied to the Parliament or a State Legislature shall not be denied by this exemption);

Notwithstanding any of the exemptions listed above, a public authority may allow access to information, if public interest in disclosure outweighs the harm to the protected interests. However, this does not apply to disclosure of "trade or commercial secrets protected by law ".

PUBLIC OPINION

Public opinion is the aggregate of individual attitudes or beliefs. Public opinion can also be defined as the complex collection of opinions of many different people and the sum of all their views, or as a single opinion held by an individual about a social or political topic. The meaning of public opinion has changed dramatically over time. Political scientist Susan Herbst writes that "Formalized tabulation of political opinions began in the city-states of ancient Greece, where elections were viewed as central components of the democratic process. Yet it was not until the eighteenth and nineteenth centuries that quantification became a significant element of political discourse in the West."

Concepts:

The German sociologist Ferdinand Tönnies, by using the conception tools of his theory of Gemeinschaft and Gesellschaft, argued (1922, "Kritik der öffentlichen Meinung"), that 'public opinion' has the equivalent social function in societies (Gesellschaften) which religion has in communities (Gemeinschaften)

German social theorist Jürgen Habermas contributed the idea of "Public sphere" to the discussion of public opinion. The Public Sphere, or bourgeois public, is according to Habermas, where "something approaching public opinion can be formed" . Habermas claimed that the Public Sphere featured universal access, rational debate, and disregard for rank. However, he believes that these three features for how public opinion are best formed are no longer in place in western liberal

democratic countries. Public opinion, in western democracy, is highly susceptible to elite manipulation.

The American sociologist Herbert Blumer has proposed an altogether different conception of the "public." According to Blumer, public opinion is discussed as a form of collective behavior (another specialized term) which is made up of those who are discussing a given public issue at any one time. Given this definition, there are many publics; each of them comes into being when an issue arises and ceases to exist when the issue is resolved. Blumer claims that people participate in public in different capacities and to different degrees. So, public opinion polling cannot measure the public. An educated individual's participation is more important than that of a drunk. The "mass," in which people independently make decisions about, for example, which brand of toothpaste to buy, is a form of collective behavior different from the public.

Public opinion plays an important role in the political sphere. Cutting across all aspects of relationship between government and public opinion are studies of voting behavior. These have registered the distribution of opinions on a wide variety of issues, have explored the impact of special interest groups on election outcomes and have contributed to our knowledge about the effects of government propaganda and policy.

Contemporary, quantitative approaches to the study of public opinion may be divided into 4 categories:
1. quantitative measurement of opinion distributions;
2. investigation of the internal relationships among the individual opinions that make up public opinion on an issue;
3. description or analysis of the public role of public opinion;
4. study both of the communication media that disseminate the ideas on which opinions are based and of the uses that propagandists and other manipulators make of these media.

The rapid spread of public opinion measurement around the world is reflection of the number of uses to which it can be put. Public opinion can be accurately obtained through survey sampling. Both private firms and governments use surveys to inform public policies and public relations.

Formation:
Numerous theories and substantial evidence exists to explain the formation and dynamics of individuals' opinions. Much of this research draws on psychological research onattitudes. In communications studies and political science, mass media are often seen as influential forces on public opinion. Additionally, political socialization and behavioral genetics sometimes explain public opinion.

Mass media effects on public opinion
The formation of public opinion starts with agenda setting by major media outlets throughout the world. This agenda setting dictates what is newsworthy and how and when it will be reported. The media agenda is set by a variety of different environmental and newswork factors that determines which stories will be newsworthy.

Another key component in the formation of public opinion is framing. Framing is when a story or piece of news is portrayed in a particular way and is meant to sway the consumers attitude one way or the other. Most political issues are heavily framed in order to persuade voters to vote for a particular candidate. For example, if Candidate X once voted on a bill that raised income taxes on the middle

class, a framing headline would read "Candidate X Doesn't Care About the Middle Class". This puts Candidate X in a negative frame to the news reader.

Social desirability is another key component to the formation of public opinion. Social desirability is the idea that people in general will form their opinions based on what they believe is the prevalent opinion of the social group they identify with. Based on media agenda setting and media framing, most often a particular opinion gets repeated throughout various news mediums and social networking sites, until it creates a false vision where the perceived truth can actually be very far away from the actual truth.

Public opinion can be influenced by public relations and the political media. Additionally, mass media utilizes a wide variety of advertising techniques to get their message out and change the minds of people. Since the 1950s, television has been the main medium for molding public opinion

Influences on Public Opinion
Many factors affect public opinion:
- **Politicians:** Many officials actively campaign to generate support among the public. They give speeches and interviews, stage rallies, and listen to constituents.
- **Media:** The news media covers all major political events extensively. Indeed, sometimes it seems that the media creates important political events by choosing to cover them so much. Because the vast majority of people get their political information from the media, it has a huge impact.
- **Socioeconomic status:** Most political and economic events affect people unevenly, so one's social and economic status naturally affects one's views. Wealthy people are more likely than poor people to support a budget that cuts taxes on capital gains, for example, because they would benefit more from the tax cut.
- **Major events:** Any significant event—a war, an economic downturn, or a diplomatic success, for example—can influence people's views.

Example: In the United States, whenever a foreign crisis arises, support for the president shoots up dramatically. Political scientists call this increase in popularity the **rally 'round the flag** effect. The effect might not always last a long time, but in the short run, the president's popularity goes up.

- **Opinion leaders:** Political scientists call a person whose views on an issue can affect the views of others an **opinion leader.** Often, opinion leaders are prominent members of the community and pay more attention to politics than most people.

Example: The Internet has created a new type of opinion leader called ablogger (short for web logger). Many people read same political blogs every day and are strongly influenced by what they read. Politicians have begun to court bloggers, going so far as to invite them to conventions and to grant them interviews in an attempt to win the opinion leaders over to their side.

Media Saturation
In the last twenty years, the media has become a bigger part of our lives. Twenty-four-hour news networks allow people to tune in any time. At the same time, the networks must find something to fill all those hours—and to outdo one another—so the networks often seek sensational stories. Talk radio has also become extremely popular. Many people rely on talk radio for much of their news, even though many talk radio hosts are openly partisan. Escaping the media often seems impossible: There always seems to be a television, radio, or Internet stream playing in the background of our daily lives.

Elitism Versus Pluralism

How much does public opinion really matter? There are two views regarding the importance of public opinion:

- **Elitism:** Society is run by a few people at the top, including important politicians and businesspeople, so public opinion matters very little. What the masses think does not matter, and leaders can shape public opinion to suit their purposes.
- **Pluralism:** There are many different centers of power, so public opinion matters a great deal. Leaders may have more power than the masses, but they must heed mass opinion if they wish to remain in office

Importance of Public Opinion:

1. Helps in decision making
2. Increases accountability
3. Increases awareness and educates people.
4. Increases transparency
5. Backbone of Democracy.
6. Facilitates free flow of ideas and views
7. Keeps government on toes
8. Helps in implementation of programmes.
9. Helps in sensitizing the public administration.
10. Helps in debate, discussions etc.
11. Helps in policy formulation.
12. Helps in monitoring of various programmes and policies.