NEED FOR REFORMS

<div style="text-align: right">**4**</div>

4.1 Good Governance and Development

4.1.1 A World Bank study of six measures of perceived quality of governance affecting per capita GDP of more than 150 countries concluded that *"results show a strong positive causal relationship from improved governance to better development outcomes".*[33] While there has been considerable discussion on the causality, it is widely agreed that good governance is the sine qua non, both for sustainable development and improved quality of life.

4.2 Civil Services in India

4.2.1 In a Parliamentary system it is the political executive (responsible to the legislature) who determines policies and programmes of Government. The implementation and administration of these policies and programmes is the responsibility of the large body of civil servants who, by virtue of their training and professional experience, are well-versed in the actual functioning of Government.

4.2.2 An important characteristic of the civil service system in India is classification based on the concept of the 'Service'. Under this concept, civil service posts are grouped into distinct homogenous cadres under a common Service named on the basis of specific functions attached to the posts in question.

4.2.3 The various Civil Services at the Union and State levels can be classified in several different ways. Firstly, the Civil Services can be categorized into three broad groups – Central Civil Services, All India Services and the State Civil Services. The Central Services function under the Union Government and are generally engaged in administering subjects which are assigned to the Union under the Constitution, whereas the All India Services are common to the Union and the States and the State Services function only under the State Governments. Secondly, the Union and State Services can be classified into Group A, B and C categories based on their role and responsibilities. Thirdly, these services can also be classified into technical and non-technical services.

4.2.4 The Central Civil Services administer subjects like Posts & Telegraphs, Railways, Customs and Central Excise, Income Tax, Telecommunication etc. A list of the organized Group 'A' Central Services is at Table 4.1. There are three All-India Services which are all Group `A' Services, namely, the Indian Administrative Service, Indian Police Service and Indian Forest Service. These are common to the Union and the States. The Constitution, in Article. 312, originally mentioned only two Services as belonging to the category of All-India Services, namely, the Indian Administrative Service and the Indian Police Service. Subsequently, the Indian Forest Service was also constituted as an All India Service. The Constitution (Forty-second Amendment) Act, 1976 made provisions for constituting an all India Judicial Service, which has not yet been formed.

4.2.5 Similarly, there are various State Services which perform different functions in the State Governments. The State Civil Services administer those subjects which have been allocated to the States as per the distribution laid down in the Constitution. They implement State laws and also some Central laws. Their members are under the exclusive administrative control of the respective State Governments, and their duties are confined to the territories of the State, unless when working on deputation.

4.2.6 Central Services and State Services can be sub-divided into Group A, B and C according to the rank and responsibilities of its officials. This classification is hierarchal with the Group A Services generally carrying higher ranks and responsibilities. Though each of these groups has a different channel for recruitment, there is provision for promotion from Group C to Group B and from Group B to Group A.

4.2.7 Central Services can be further categorised as (I) Non-Technical Services, (II) Technical Services (which include engineering services), (III) Health Services and (IV) Other Services (which includes some engineering and scientific services) and (V) Central Secretariat Services.[34] The non-technical services are meant to administer non-technical areas of administration at the Centre like audit, income-tax and posts. Technical services perform similar functions on the technical side of the Union Government in departments like Civil Engineering, Telegraph Engineering, Mechanical Engineering, etc.

S. No	Name of Service	Parent Organisation/Ministry
	Table 4.1 A List of All the Organized Group 'A' Central Civil Services in Government of India	
1.	Indian Audit & Accounts Service	Office of the Comptroller & Auditor General of India
2.	Indian Trade Service	Ministry of Commerce and Industry
3.	Indian P&T Accounts and Finance Service	Ministry of Communications and Information Technology

[34]http://www.persmin.nic.in

S. No	Name of Service	Parent Organisation/Ministry
	Table 4.1 A List of All the Organized Group 'A' Central Civil Services in Government of India *(Contd.)*	
4.	Indian Postal Service	-do-
5.	Indian Defence Accounts Service	Ministry of Defence
6.	Indian Defence Estates Service	-do-
7.	Indian Foreign Service	Ministry of External Affairs
8.	Indian Civil Accounts Service	Ministry of Finance
9.	Indian Customs & Central Excise Service	-do-
10.	Indian Revenue Service	-do-
11.	Indian Information Service	Ministry of Information & Broadcasting
12.	Indian Railway Accounts Service	Ministry of Railways
13.	Indian Railway Personnel Service	-do-
14.	Indian Railway Traffic Service	-do-
15.	Railway Protection Force	-do-
16.	Indian Company Law Service	Ministry of Corporate Affairs
17.	Defence Aeronautical Quality Assurance Service	Ministry of Defence
18.	Defence Quality Assurance Service	-do-
19.	Defence Research and Development Service	-do-
20.	Indian Cost Accounts Service	Ministry of Finance
21.	Indian Economics Service	-do-
22.	Boarder Security Force	Ministry of Home Affairs
23.	Central Industrial Security Force	-do-
24.	Central Reserve Police Force	-do-
25.	Indo Tibetan Boarder Police	-do-
26.	Indian Broadcasting (Programme) Service	Ministry of Information & Broadcasting
27.	Central Labour Service	Ministry of Labour
28.	Indian Legal Service	Ministry of Law & Justice
29.	Geological Stream (Various streams)	Ministry of Mines (Geological Survey of India)
30.	Indian Meteorological Service	Ministry of Science & Technology
31.	Survey of India Group 'A' Service	-do-
32.	Indian Statistical Service	Ministry of Statistics & Programme Implementiaton

Table 4.1 A List of All the Organized Group 'A' Central Civil Services in Government of India *(Contd.)*

S. No	Name of Service	Parent Organisation/Ministry
33.	Indian Ordnance Factories Health Service (CDMO Cadre)	Ministry of Defence
34.	Central Health Service	Ministry of Health & Family Welfare
35.	Border Security Force Health Service	Ministry of Home Affairs
36.	Central Reserve Police Health Service	-do-
37.	ITBP Health Service	-do-
38.	Indian Railway Medical Service	Ministry of Railways
39.	Indian Inspection Service	Ministry of Commerce & Industry (Supply Division)
40	Indian Supply Service	-do-
41.	Indian Telecommunication Service	Ministry of Communications and Information Technology
42.	P&T Building Works Service (Architectural, Electrical & Civil Wing)	-do-
43.	Border Roads Engg. Service (E&M Cadre)	Ministry of Defence
44.	Indian Naval Armament Service	-do-
45.	Indian Ordnance Factories Service	-do-
46.	Indian Defence Service of Engineers	-do-
47.	Central Power Engineering Service	Ministry of Power
48.	Indian Broadcasting Service (Engg.)	Ministry of Information & Broadcasting
49	Indian Railway Service of Elec. Engg.	Ministry of Railways
50	Indian Railway Service of Engineers	-do-
51.	Indian Railway Service of Mechanical Engineers	-do-
52.	Indian Railway Service of Signal & Telecommunication Engineers	-do-
53.	Indian Railway Stores Service	-do-
54.	Central Engg. Service (Roads)	Ministry of Road Transport & Highways
55.	Central Architects Service (CPWD)	Ministry of Urban Development & Poverty Alleviation
56.	Central Elect. & Mech. Engineering Service (CPWD)	-do-
57.	Central Engg. Service (CPWD)	-do-

Table 4.1 A List of All the Organized Group 'A' Central Civil Services in Government of India *(Contd.)*		
S. No	Name of Service	Parent Organisation/Ministry
58.	Central Water Engineering Service	Ministry of Water Resources

Source: Department of Personnel and Training

4.2.8 In order to facilitate a structured analysis and make a rational set of recommendations, the different Services under the Union Government (including the All India Services) could be classified into categories as given in Table 4.2. This Table does not seek to present a complete slotting of all the different services, but only seeks to present their indicative slotting into three broad categories. Similarly, the different services at the State level would fall into a broad classification of this nature.

Table 4.2 Classification of Services (illustrative)				
		General Management Services	Specialized Services	Technical Services
Group A	All India Services	IAS	IPS	IFoS
	Central Services		IFS, IRS, IIS, IRTS, IRAS, IA&AS, etc	Railway Engg Services, CPWD, CGHS
Group B	Central Services	CSS, RBSS, DANICS	CSCS	CSCS
Group C	Exist in all functional and general management areas			
Group D				

4.2.9 General Management Services are those that require its members to serve in a wide spectrum of sectors and also discharge a general management function in field postings. District Collectors, Post Master General, Divisional Railway Managers, etc. tend to carry out such functions. Besides, they do not need any specialized knowledge of a sector but have a primary role in coordinating the work of others in an overall general management function. Specialized services are those whose members discharge a specialized function but do not need long years of technical education to acquire the basic capabilities. Members can be drawn from a variety of backgrounds and equipped to perform these functions through post-recruitment training. The recruitment process does not test any technical prowess or knowledge. Technical services are those whose members perform a technical function requiring skills and knowledge that can only be obtained through a technical or specialized educational programme. Those without such a technical qualification will not be eligible for such services. The recruitment process necessarily tests the technical knowledge of the candidate.

4.2.10 In some of the Services there may be specific posts that would appropriately classify into a category different from that to which the Service itself has been classified. This could happen largely due to some special features of the functions. For example, a Divisional Railway Manager or a General Manager in the Indian Railways could be classified into the general management category though the incumbent may belong to one of the specialized services or technical services.

4.2.11 All the civil services listed in Table 4.1 have certain common characteristics as stated earlier. Members of these Services are recruited by a Constitutional body – the Union Public Service Commission. This system of having organized services has ensured merit-based recruitment, development of a professional cadre of civil servants in different functional areas, inculcation of certain public service values and espirit-de-corps which has helped in nation building. At the same time, having career-based civil services coupled with excessive job security has led to a sense of complacency and lack of accountability amongst civil servants. Looking into the advantages of having organized civil services, the Commission is of the view that all these Services have played a meaningful role and their continuance would be in public interest. However, some aspects of these Services would have to be reformed. The Commission has dealt with these aspects in the chapters that follow.

4.3 Need for Reforms

4.3.1 The Prime Minister Dr. Manmohan Singh, recently summed up the achievements of the Civil Services in India in the following words:

> *"If we look back at the history of modern administration in India, we can take justifiable pride in what has been achieved. The civil service has contributed positively to the functioning of our vibrant democracy, our plural society and polity and our growing economy. In our quest to build a modern nation, absorbing the best from the outside world, epitomizing Gandhiji's vision of an inclusive society, the civil services have played an admirable role."*[35]

An assessment report of the World Bank says, *"The civil service in India, the legendary 'steel frame' of the British Raj is today battling against onslaughts to its relevance. The strengths of the civil service in India lies in its extraordinary pool of skills and talents, its field experience, its extensive networking, its appreciation and overview of the functioning of the government at the cutting edge, its understanding of delivery systems for development, awareness of the formal and informal socio-economic networks in the field, its 'can deliver' attitude, its role in national integration, its ready adaptability to new and unfamiliar situation and tasks, and its social orientation, bolstered by intense competition among the officers."*[36] It is widely

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[35]PM's address at the 3rd Civil Services Day, April 21, 2008, New Delhi
[36]Ed Campos and Sanjay Pradhan, Building Institutions for a More Effective Public Sector, Background Paper for the World Development Report 1997.

recognised that the civil services have contributed to stability in terms of maintenance of peace, the conduct of fair elections, managing disasters and the preservation of the unity of the nation. There is no denying the fact that the civil service has played an important role in preserving unity, providing stability and maintaining order in a vast country prone to various conflicts – ethnic, communal, regional etc.

4.3.2 Nonetheless there are concerns about the performance of the civil service in the context of realising a results-oriented government. It has been pointed out that the Civil Service in India is more concerned with the internal processes than with results. The systemic rigidities, needless complexities and over-centralization in the policy and management structures within which the civil service functions are too complex and often too constraining. The structures are based on hierarchies and there are a large number of veto points to be negotiated for a decision to eventually emerge. To compound it, the size and the number of ministries and departments have both overloaded the decision-making system and diminished the capacities of the individual civil servants to fulfil their operational responsibilities.

4.3.3 Civil servants in India are accountable to the Ministers in charge of the department, but in practice, the accountability is vague and of a generalised nature. Since there is no system of ex ante specification of accountability, the relationship between the minister and the civil servants is essentially issue-sensitive and civil servants deal with the ministers as the issues present themselves. The role of the senior civil servants is to advise the ministers about the long-term social pay off of any proposed policies so that these are not determined by short-term political priorities. The accountability relationship can be anything from all-pervasive to minimalistic and it is left to the incumbent minister to interpret it in a manner that is most convenient to him/her. This leads to either collusive relationship or to discord, both of which can adversely affect the Administration.

4.3.4 Rapid and fundamental changes are taking place in the country in terms of rapid economic growth, urbanization, environmental degradation, technological change and increased local awareness and identity. The response time to adapt to these changes is much shorter than it used to be. As instruments of public service, civil servants have to be ready to manage such change. On the other hand, the perception is that they resist change as they are wedded to their privileges and prospects and thereby have become ends in themselves. In the political field, the 73rd and 74th Amendments to the Constitution have brought about a major change. Rural and urban local governments have to be enabled to become institutions of self government. To bring this about, the existing system of administration at the district level has to undergo fundamental changes. Though sixteen years have passed, the progress remains very slow (vide Commission's Sixth Report) and local governments are 'local' only in 'form' but are 'central and state in content'.

4.3.5 Far-reaching changes in the global economy, increased global interdependence and a sea change in the way governments function have made it all the more necessary to build a competent, well-functioning civil service. The telecommunications and computer revolution offer immense opportunities to bring about efficient delivery of services. Here also there is resistance to simplification of procedures which is a pre-requisite for introduction of e-governance. In short, if the civil services are to be relevant and competent to meet the current and emerging needs, nothing short of a mutation will be adequate.

4.3.6 With the passage of time, the role of civil society organisations, in governance, has increased with demands for better governance. The same can be said of the private sector, which is increasingly providing services in several areas, which hitherto were the exclusive preserve of the public sector. Consequently, civil servants should view civil society organisations and the private sector as partners in the process of the country's governance. There is need to shift from pre-eminence of governance to effective governance with a focus on decentralization and citizen-centricity.

4.3.7 The latest developments in the area of public administration such as the New Public Management in UK and reinventing-the-state emphasize the importance of measuring result and highlight the outputs and outcomes rather than inputs and processes. They focus on the benefits derived from the use of government funds and seek to establish a framework in which it can be ascertained what quantifiable outcomes have been achieved. Under the circumstances, data-driven performance assessment against ex ante specification of performance, needs to be the main basis for the performance assessment of civil servants.

4.3.8 Based on the need to reform the civil services as highlighted in the foregoing paragraphs, the Commission has examined different aspects of civil services in India. Following the core principles of reforms as enunciated in Chapter 1, the Commission has analysed the recruitment process, the training regime, placement mechanisms, performance management systems, issues regarding accountability etc and made concrete recommendations in the following chapters.

4.4 Consultations with the Representatives of Civil Services Associations

4.4.1 The Commission invited and had detailed discussions with most of the Associations of the organised Central Group A services and the AIS. The issues raised by most of them were as follows:

    i.   Most of the Central (Group A) Services Associations felt that there should be no disparity in the pay scales and promotional opportunities between the Central

Services and the All India Services. They also sought greater opportunities under the central staffing scheme.

ii. Central (Group A) Services Associations were generally of the view that a fair opportunity should be provided to members of all Central Services for being considered for appointments at senior positions in the Union Government.

iii. Some of the Associations of the Accounts and Finance services supported the concept of an integrated Accounts and Finance service.

iv. As regards recruitment, some Associations pointed out that greater weightage needs to be given to compulsory subjects (as compared to optional subjects) in the written examination for civil services.

v. While some Associations (P&T Accounts and Finance service) agreed with the idea that professional/technical qualifications could be introduced for being members of the service, others (India Audit and Accounts Service) did not agree and envisaged their role as managers with the responsibility of providing leadership to technically qualified personnel at lower levels.

vi. All Associations supported the idea of fixation of tenure to check arbitrary transfers.

vii. Most Associations did not support the idea of lateral entry at senior levels from the private sector. However, some Associations felt that Government officials should be permitted to join private sector organizations for specified periods i.e. 3 years

viii. Many Associations supported the spirit of a 360 degrees' evaluation for performance appraisal of officers. It was also stated that 'key result areas' approach needs to be mainstreamed in performance appraisal.

ix. The Indian Administrative and Civil Service (Central) Association sought stability of tenure, emphasised on merit driven placement policies, advocated increased focus on outcomes with variable emoluments based on key results agreements, recommended continuous 360 Degree performance evaluation systems and expressed the view that the role and inter-relationship between the political executive and civil servants needs to be defined and codified.

x.   Some Service Associations emphasised the need to arrest the trend of large numbers of civil servants leaving government to join the private sector. Suggestions to check this included (i) Improved pay structures/service conditions, (ii) Liberal policy to facilitate deputations outside government.

xi.   Most Service Associations were of the view that in-service training is a neglected area. Successful completion of prescribed training programmes should be given special weightage in promotion. There should be special incentives for trainers.

4.5 Consultations with Stakeholders

The Commission held extensive consultations with various stakeholders including eminent persons, serving civil servants of different levels of seniority, State governments, retired civil servants and industry associations like FICCI . The Commission also organised two national workshops, one with participation from the Central Services and another with participation from the All India Services. At the two workshops which were organised in association with the Indian Institute of Public Administration and the Management Development Institute, Gurgaon, the working groups came out with a set of recommendations which are summarised at Annexures I(4) and I(7).

4.5.1 Consultation with Retired Civil Servants in Delhi and during Visits to the States

The views expressed are summarised below:

a.   *Recruitment:*

-    The upper age limit for recruitment into the civil service should be reduced to 25 years.

b.   *Lateral entry:*

-    Lateral entry should be allowed after 25 years of service. There should be open competition for the same. Lateral entry should however be for selected posts.

c.   *Postings, Promotions and Empanelment:*

-    Any promotion above supertime scale should be done by a committee which should consist of insiders as well as outside experts.

-    The present system of evaluation should be replaced by a system of objective evaluation at various levels.

d. *Training and Domain Knowledge:*

- Training should emphasise innovation, service delivery improving effectiveness of administration and change in mindset.

- Training has to be used extensively for imparting domain expertise. Such trainings and consequent domain expertise needs to be utilized by the Government. It is often seen that on return from training, the officer is not posted in his/her area of specialization.

- Domain expertise should be developed after 10 years of service.

- Governance, without improving capabilities of the lower functionaries who are at the cutting edge level, cannot be improved. The mind-set of these functionaries has to be changed and made service-oriented and citizen centric.

- Specialised training programmes could be outsourced.

e. *Tenure:*

- There should be a minimum tenure of 2 to 3 years in each post, especially in respect of field postings.

- Tenure of officers holding some key positions (e.g. Chief Secretary/ DGP/the DC/SP) has emerged as a major cause of concern. Political and administrative will is necessary to check the menace of frequent and unwarranted transfers.

f. *Performance Appraisal:*

- Performance measurement should be based on outcomes rather than only on outputs.

- Citizens' feedback should be used for appraising performance of government servants particularly at the cutting edge.

g. *Exit Policy:*

- The process of weeding out, inefficient and non-performing officials is a must at some stages (as is done in the defence services). This could be done early in service.

- There are rules for exit after the age of 50, but they are seldom put to use. For every service cadre, a system of annual scrutiny of performance should be there.

- Voluntary retirement may be allowed after 10 years of service instead of 20 years. This may be accompanied by lateral entry.

h. *Empanelment:*

- The process of empanelment at Joint Secretary, Additional Secretary and Secretary level has to be made transparent and objective.

i. *Performance:*

- Generally while wrong action is punished, inaction is usually condoned. There is no performance audit.

4.5.2 Consultation with Secretaries/Senior Officers of Government of India

Some of the suggestions which emerged during the discussions are as follows:

a. *Recruitment:*

- The high upper age ceiling for the Civil Services Examination leads to a higher average age of entry. This is not conducive for inculcating the right ethos and values in Civil Servants.

- Recruitment should also not be done at the post-school level as this would inter alia lead to an elitist bias, and deprive the services of candidates with diverse academic backgrounds.

b. *Tenure:*

- Tenures should not be fixed rigidly. There is no need for a separate law for this – it should be ensured through systematic administrative arrangements.

- There should be a system to take note of the choice of the officer for his/her placements. For the post of Joint Secretary and above, the pool should consist of officers from all services.

c. *Training:*

- Trainings should be focussed and relevant. Attachments with various officers during the training period should give a feel of the challenges / situations to be faced by an officer in his/her service career.

d.   *Domain Knowledge:*

- From the 9th year onwards, experience based specialization should be promoted. The post of Deputy Secretaries and Joint Secretaries should be incentivised to attract people on deputation.

- An independent body should assess the domain expertise of civil servants after fifteen years of service. Selection procedures for senior posts should be completely transparent focusing on a competitive process which may include an interview.

e.   *Performance Appraisal:*

- Generally, officers are very liberal in assessing their sub-ordinates. A large number of officers are thus rated as 'outstanding' by their superior officers without adequate justification for such a rating.

- In many jobs there are no deliverables which could be adequately quantified. This has to be taken into account while assessing performance.

- Performance appraisals should be broad-based to include peer review of performance.

- The performance appraisal form instead of being general should be organization-specific.

f.   *Executive Agencies:*

- It is possible to delegate and authorize functions to executive agencies and make them accountable. For this, they have to be given flexibility in their financial powers. In the UK, such agencies have been instituted with success in a number of administrative areas.

g.   *Civil Services Law:*

- There is a need for such a law. In the UK, it was accepted after a three-year long debate.

h.   *Lateral Entry (There were contrasting views on this subject):*

- It should be minimal as it may dissuade candidates from choosing civil services as a career. Civil Servants should not be allowed to join the private sector.

- People from outside may be allowed to compete for senior positions in the Government. Likewise, civil servants should also be allowed to work outside government for a specific period and given the option to come back.

i.   *Postings, Promotions and Empanelment:*

- Often favoritism plays an important part in postings and promotions. Also there is a lack of transparency in the empanelment procedure. There is undue premium on seniority. These must be redressed.

j.   *Senior Executive Service:*

- While there is no need to have a Senior Executive Service, appointments to senior positions should be made from a panel of officers prepared by an independent body.

k.   *The Size Structure and Role of the Civil Service:*

- The size, structure and role of the civil service should be determined by the functions of Government. If the Government has a large number of functions then there would be a huge bureaucracy. But there is a case for downsizing the Government and consequently the bureaucracy. Government should retain with itself the sovereign functions as also functions which cannot be outsourced.

- Government should withdraw from areas where its presence is not required.

- Reforms should extend to civil servants at the cutting edge as well who have maximum interaction with citizens.

4.5.3 Feedback from Members of the Public

The Commission had the benefit of interacting with members of the public individually and at public hearings which were held during visits to the States. Since these meetings were well publicized prior to the visit of the Commission, they were well attended. The key observations that emerged during these public hearings included the following:

a.   Corruption is a matter of concern particularly at the cutting edge levels of the bureaucracy.

b.   There is a perceptible lack of commitment in public servants towards redressal of citizens' grievances.

c.   Red-tapism and unnecessary complex procedures add to the hardship of citizens.

d.   Government servants are rarely held to account and complaints to higher authorities usually go unheeded.

e.   Generally the attitude of many public functionaries is one of arrogance and indifference.

f.   Frequent transfer of officers reduces their effectiveness and also dilutes their accountability.

g.   Sometimes there is "unholy" nexus between unscrupulous politicians and officers leading to poor governance.

4.5.4 Feedback from Serving Civil Servants on the Reform Agenda

4.5.4.1 As stated in paragraph 1.8, the Commission had circulated a set of questionnaires encompassing various issues confronting the civil services in order to elicit responses from various stakeholders including civil servants themselves. These questionnaires are at Annexures I(1) and I(2). Responses to the issues raised in the questionnaires are summarized below:

i.   *Recruitment to the Civil Services:* Most respondents were in favour of reducing the maximum age limit for recruitment to between 22-26 years with the usual relaxations for SC/STs etc. Opinion on the issue of post-school recruitment for the civil services was divided.

ii.   *Lateral Entry to the Civil Services:* The general view was that only a few identified key posts could be thrown open for recruitment from the open market with civil servants also eligible to compete.

iii.   *Stability of Tenure:* Most responses favoured statutory fixation of tenures for key posts.

iv.   *Fast Track Promotions:* Fast track promotions and time-bound advancements in Pay Scales may be operated simultaneously i.e. promotion to a higher post should be available on clearing a screening process and those not passing this screening may also be placed in the higher scale of pay without being eligible to hold the higher post. This would ensure that competence is rewarded without causing demoralization.

v.   *Making Non-performance Punishable :* Many respondents suggested that gross failure to perform duties should be a ground for imposition of penalties.

vi.   *Relationship between Civil Servants and Political Leadership :* There was general consensus that the relationship could be made more explicit by codification of dos and don'ts to be adopted by both the political executive and civil servants. There is also need to provide sanctions against issue of illegal directions.

vii.   *Executive Agencies :* Most respondents favoured creation of executive agencies in suitable cases particularly where formulation of policy and its execution fall in distinct spheres.

viii.   *Performance Management and Promotion:* There was considerable support that confidential reports should not continue to be the sole determinant for promotions and that methods like interviews should also find a place in this process.

ix.   *Training:* The consensus was that though training is useful for keeping civil servants up-to-date, it is not a substitute for formal professional and academic up-gradation if domain specialization and higher professional standards are to be achieved.

x.   *Collector as Chief Coordinator:* There was consensus for strengthening the role of the Collector as the 'node' of the State Government at the district level.

xi.   *Legal Framework:* While some respondents favoured a Civil Services Law, others felt it may not serve the required purpose.

xii.   *Article 311:* No respondent favoured repeal of Article 311 of the Constitution.

xiii.   *Disciplinary Proceedings:* It was generally felt that disciplinary procedures need to be simplified.

4.5.4.2 Personnel management issues like recruitment, tenure, performance appraisal, training, relationship between the political executive and civil servants, and a policy for deputation of civil servants to the private sector, have been dealt with in subsequent chapters of the Report. As far as issues relating to pay scales of the Group A and All India Services are concerned, these have already been dealt with in detail in the recently released report of the Sixth Central Pay Commission (CPC). As regards disparities in promotions and

greater opportunities under the Central Staffing Scheme, the Commission has examined this issue in Chapter 9 wherein it has tried to introduce a mechanism for fostering greater competition and selection of the most suitable candidates for posts in the Government.

4.6 An Agenda for Reforms

4.6.1 Recruitment and Age of Entry

4.6.1.1 Meritocracy of the civil service helps bring high-quality people into the civil service, confers prestige on civil service positions and can do a great deal to motivate high-quality performance.[37] The age of entry into the civil services is a matter of great significance, particularly in the context of enthusing the trainee civil servants with the right values. As per the original thinking, in line with the nation-building mood of the founding fathers of the Constitution and the expectations of the government from the civil servants, the upper age limit and the number of attempts permitted in the examination were kept low so that young people infused with a sense of idealism and public service would constitute the bulk of the service.[38] But these requirements have since been modified considerably with the result that the age profile of fresh entrants into the civil servants has changed. The reform element in the process of recruitment should consist of devising a system, which, apart from being based on merit, should enlarge the pool of candidates to recruit the best and brightest of the educational system in addition to getting them at an age when it would be possible to imbue them with the right kind of values.

4.6.2 Training

4.6.2.1 Training is a critical component of human resource development. The current system of training for the civil services does not adequately reflect changes in the socio-economic scenario and the emerging new challenges. It also suffers from an inadequate emphasis on the training needs of the cutting edge level functionaries. It has become necessary to expose civil service trainees to new management skills as well concepts such as team work, public private partnership, managing in networks and issues relating to tackling corruption. The reform agenda should comprise mandatory training for all civil servants at the induction stage and before each and every promotion combined with mid-career training through domain knowledge and a monitoring mechanism to oversee the training policy. There is also need to revitalize national and state level institutions to meet the objectives.

4.6.3 Tenure

4.6.3.1 Short tenures in key positions, particularly in the State Governments is often cited as a major reason for the shortcomings in the system of governance. The government's

[37]World Development Report, 1997
[38]K P Krishnan and T V Somanathan Civil Service: An Institutional Perspective in Devesh Hapur and Pratap Bhanu Mehta (ed.,) Public Institutions in India: Performance and Design

inherent right to transfer a civil servant needs to be balanced against the requirement of stable tenures to ensure effectiveness and the need for independence in law-enforcing posts. Stable tenures are also necessary for enabling the incumbent to learn on the job, develop his own capacity and then contribute in the best possible manner. Institutional and procedural reforms would have to be carried out in order to ensure stable tenures in crucial positions.

4.6.4 Domain Competency

4.6.4.1 The increasingly complex challenges of modern administration demand higher levels of knowledge and deeper insights from public servants. This would mean that civil servants - especially in policy making positions - should possesses in-depth knowledge of the sector acquired through academic qualifications, field experience, managerial exposure, training and self study. This type of in-depth knowledge and skills is often termed as domain competence. Domain competence is distinct from specialised technical knowledge in that it refers to a broad understanding of the relevant field and more importantly managerial abilities derived from practical experience in that field. Assigning specific domains to civil servants early in their career and retaining them in the assigned domain is a key consideration in the Commission's proposals for civil service reform.

4.6.5 Fostering Competition for Appointment to Senior Executive Positions

4.6.5.1 A key component of the reforms is to select the very best from society for the most challenging assignments in government. Senior executive positions are responsible for higher level policy advice, managerial and professional responsibilities. Competition should be introduced for selecting persons to the senior executive positions.

4.6.6 Performance Management System

4.6.6.1 Performance management systems are a set of tools and processes which seek to integrate the organisational goals with the performance of its various units and ultimately with the performance of all individuals working in it. Thus performance management systems are critical to achievements of the organisational goals. A comprehensive performance management system is often missing in governmental organisations. This is one of the reasons why these organisations focus more on outputs than on outcomes. A sound performance management system would involve setting goals – which are measurable - at all levels, monitoring performance of each unit and individual within the organisation, developing the capacity to perform, rewarding good performance and managing under performance.

4.6.7 Exit Mechanisms

4.6.7.1 At present, rarely does a civil servant get dismissed from service or is punished on grounds of incompetence and failure to deliver. It is necessary that all civil servants undergo a rigorous assessment of performance, at regular intervals, and on the basis of such evaluation a civil servant can be retired compulsorily, including by using provisions some of which already exist but are not adequately used.

4.6.8 Clarity of Purpose and Task

4.6.8.1 The policy formulation function of senior civil servants needs to be distinguished from the policy implementation function. As Secretaries to Government have multiple and demanding responsibilities pertaining to a wide range of policy, administrative and implementation activities, their most important function, of tendering policy advice to the Ministers, often does not receive the attention it deserves. The time they can devote to each of these is seriously limited, and they often do not find sufficient time to reflect on important policy and strategic issues. The need to provide Ministers with high quality policy advice requires that Secretaries to Government and their supporting staff in the secretariat with policy advisory responsibilities do not get diverted by the demands of managing routine administrative and operational responsibilities. This would call for a broad separation of policy formulation and implementation responsibilities. What it would mean is that the ministries responsible for policy advice including the monitoring and evaluation of policy implementation, should be separated from departments and other entities responsible for delivery of services, operational matters and the enforcement of regulations.

4.6.8.2 That being the case, what is required is not merely a broad separation of policy and operations, but also restructuring the design of the ministries to make them less hierarchical, creating flatter structures with team-based orientation and reduce the excessive degree of central control now being exercised over operational matters.

4.6.8.3 This would require that autonomous organisations like executive agencies be set up to carry out operational responsibilities. The advantage of autonomous agencies over a department-managed activity is that an agency would have far greater operating flexibility than a government department and far better accountability for performance. The Commission would examine this issue in detail in its Report on 'Organizational Structure of Government of India'.

4.6.9 A Results-Oriented Civil Service

4.6.9.1 The existing governance systems are heavily dependent on rule-based approaches. There is a pre-occupation with process, adherence to procedures, conformity with budget

provisions and economy of inputs. Consequently there is undue emphasis on inputs used - how much resources, staff and facilities are made available for a scheme or programme and whether this is in accordance with the standards rules and regulations? The success or failure of a scheme is also evaluated on the basis of quantum of resources consumed. As a result, the focus of governance has been more on inputs than on outcomes.

4.6.9.2 The input focus of control and accountability, has led to a situation where scant attention is paid to the results that are obtained using these inputs, and civil servants are not held accountable for them. The objective should be to shift the focus away from such traditional concerns as expenditure and activity levels towards a management framework that would manage for results by developing robust indicators to assess performance in terms of results by setting key performance indicators.

4.6.9.3 Achievement of results would require substantial devolution of managerial authority to the implementing departments. Devolution of managerial authority would require giving civil servants in the implementing agencies greater flexibility and incentives to achieve results as well as relaxing the existing central controls over the use of financial and manpower resources.

4.6.10 Accountability for Results

4.6.10.1 The counterpart of devolution of resources to the civil servants in the implementing agencies should be more stringent performance requirements and enhanced accountability. Civil servants in the implementing agencies should accept responsibility for achieving specified performance targets while managing within resources. Accountability can be achieved through agreements with the departmental minister specifying the performance targets. The proposed performance agreements should be put in the public domain so that there is total transparency about what the civil servants have agreed to do during a particular time period. These performance agreements should a part of the overall performance management system.

4.6.11 Code of Ethics

4.6.11.1 The current set of values for the civil services are conduct rules which prohibit a set of common activities that constitute undesirable conduct and behaviour for civil servants; what we do not have is a statement of values which should guide the civil servants in the discharge of their duties. There is need for more generic norms to be laid down by way of accepted conduct for the civil servants. It is necessary to have a declaration of values for the civil services, reflecting public expectations of the relationship between the civil service

and the government, the legislature, and the members of the public, with specific reference to political impartiality, maintenance of the highest ethical standards, accountability for actions and responsibilities to the government of the day. Another key consideration is to set up appropriate institutional mechanisms to promote and enforce the values and code of conduct and to evaluate the extent to which they are incorporated and upheld throughout the civil service.

4.6.12 Civil Services Law

4.6.12.1 While discussing the experience of the countries in reforming their civil services, the Commission had the opportunity to observe that most of the reforming countries have adopted comprehensive civil service legislations which describe and establish the core principles, values and characteristics which create the distinctive culture and ethics of the reformed civil service. The Commission also observed how these legislations provided a clear, unified framework within which the civil service could carry out its distinctive role and responsibilities.

4.6.12.2 A legislative framework is needed because it will provide a legal basis for the legislatures in India to express important public service standards, ethical values and culture they would want in the civil service, and how these should be implemented. The legislation should also be an unambiguous statement to those within the civil service and to the people, of what is expected of the civil service. Articulation of civil service values through legislation is vital. A clear understanding of shared values and vision set out unambiguously in the civil service law will provide a unifying and motivating force for the civil service as a whole; it will also provide the foundation for a unity of outlook and behaviour across the civil service. Moreover, it will represent an approach which is consistent with best practices globally. At the minimum, the legislation should articulate the following values and ethical standards:

- Commitment to the principles enshrined in the Constitution
- Adherence to the highest standards of probity, integrity and conduct
- Commitment to the citizens' concerns and public good
- Impartiality and objectivity in all public dealings
- Empathy for the vulnerable sections of society