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Civil Services Day

April 21, 2013

Background Papers
for Panel Discussions

Department of Administrative Reforms and Public Grievances
Ministry of Personnel, Public Grievances and Pensions
Government of India

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Format of the Panel Discussions

Three parallel sessions would be held as mentioned below :-

- (a) Civil Services - Fit for Future - Plenary Hall
- (b) Addressing the Challenges of Public Services Delivery - Hall No. 6
- (c) Rural Economy with focus on Employment - Hall No. 5

Time available for the panel discussion is one and forty five hours i.e. from 1200-1345 hrs. Broadly speaking, it is suggested that the time available may be apportioned as follows :-

- (1) Presentation of issues by Knowledge Partners - 8 minutes
- (2) Presentation by panelists - 10 minutes each
- (3) Suggestions by participants/open house discussion - remaining time

The knowledge partner would be presenting issues for discussion. After that, panelists would be requested to give their suggestions. In the interactive session, participants may be asked to introduce themselves and be specific and brief on their interventions or questions.

The Coordinators would support the panelists in finalizing the recommendations and in preparing the presentation for the Closing Session. Suggestions and action plan would be presented in the Closing Session (1445-1515 hrs) before the Principal Secretary to Prime Minister and Cabinet Secretary.



Civil Services - Fit for Future

Panelists

1. Shri Salman Khurshid
2. Shri Arun Maira
3. Shri B. K. Chaturvedi
4. Shri S. K. Misra
5. Ms. Sindushree Khullar

Knowledge Partner

Protiviti Consulting Private Limited

Coordinator

Shri Sanjeev Chopra
Joint Secretary, Ministry of Agriculture

Civil Services: Fit for Future

“We live in times of great change. Our society and our economy are undergoing rapid transformation. Every day we are exposed to new technology and to new ways of doing things. Not only this, technology has made the world smaller and best practices now get disseminated much faster than ever before. We should therefore ask ourselves the question whether, in our ways of doing things, we are keeping pace with the changes taking place all around us. I think it is generally felt that the civil services have somewhat lagged behind in this area. I am aware that it is not very easy to change systems, procedures and processes in the public sector. But this should be taken as a challenge and our civil servants should redouble their efforts to adopt more modern methods and practices.”¹

– Dr. Manmohan Singh, Honourable Prime Minister of India

1. INTRODUCTION

In any country, civil services form the basic framework of administration and governance. They are responsible for articulating and implementing policies, maintaining law and order, delivering public services, and developing stronger ties with other countries. The Indian civil services, consisting of All India and Central civil services as well as the State civil services, are considered to be the ‘steel frame’ of our country. They have done a commendable job since independence and have played a vital role in nation building, while observing the basic principles laid down in the Constitution.

India is the seventh largest country by area and the second most populous country in the world² with 28 States and seven Union Territories. Administering a country, which has such a vast geographical expanse as well as social and cultural diversity is a huge challenge. However, the Indian civil services have been successful in carrying out their duties and have acted as a binding force, keeping States together. They have been at the forefront of the overall socio-economic development of the country and have ensured basic service delivery at the cutting edge of government-citizen interface.

¹ Website of the Prime Minister’s Office Speeches.

² Website of South Asian Disaster Knowledge Network, South Asian Association for Regional Cooperation (SAARC).

Though the Indian civil services are recognised and appreciated for their achievements till now, they are still not sufficiently armed to function proficiently and competitively in a vibrant economy. Since independence, several commissions and committees have been set up to examine various aspects of public administration and though reforms have taken place, they were not significant enough to radically change the structure and functioning of the system. For India to become a global power, improved performance of civil services is imperative. There is a need to bring about wide ranging reforms and transform the Indian civil services into one which symbolise best practices, are dedicated to constant improvement, and embody modern management techniques.

The political, economic and technological arenas are changing rapidly and call for major changes in the civil services. Not only the domestic economy but the global economy as well is witnessing far-reaching changes making it necessary to build a capable and well-functioning civil services which are at par with some of the best civil services systems in the world. Rapid economic growth and liberalisation have also brought about significant changes in the expectations of citizens, who now demand greater transparency and accountability, fiscal and environmental sustainability, and elimination of all forms of corruption. The civil services system needs to keep pace with these changing expectations to enable the government to discharge its duty efficiently and effectively. Many countries have already responded to these changes by bringing in reforms in their civil services system. The Indian civil services can leverage some of the best practices from other countries and bring changes wherever required. In light of the necessities created by the dynamic changes that are taking place around the world, there are some areas which require radical transformation and reforms to make the Indian civil services “*fit for future*”. Some of these areas include:

- **Recruitment** - When it comes to hiring or recruitment of civil servants, areas such as age of entry, post-selection counselling, contract-based employment, and lateral entry need attention. The Indian civil services can take lessons from countries such as Australia, Belgium, New Zealand, the UK, and France which have created best practices examples through reforms in these areas.
- **Capacity Building** - Though various training programmes and policies have been created for the Indian civil servants, these programmes have some weaknesses such as lack of on-the-job training and non-existence of technology oriented trainings

which make them inadequate. In this case, the UK acts as a model example because of its Civil Services Learning (CSL) initiative and on the job training programmes.

- **Performance Management** - The current performance appraisal system needs focus and improvement. Countries such as New Zealand, Australia, Singapore and Malta have created best practices in the areas of performance appraisal and promotion, managing underperformance, and institutionalising performance-based pay systems which the Indian civil services can leverage.
- **Accountability and Transparency** - With changing expectations of the citizens, the government needs to build accountability and transparency in the functioning of its Departments. The UK, Singapore and New Zealand have already introduced reforms to bring in accountability and transparency in their systems.
- **Relation between the Political Executives and Civil Servants** - Inadequately defined roles and responsibilities of the ministers and civil servants have led to many political complexities which can be removed by taking lessons from what New Zealand has done in this respect.
- **Use of Technology** - Technology adoption is still low in the Indian civil services. India should learn from countries such as Singapore and the UK, which have introduced many reforms to promote the use of modern technology among civil servants.
- **Collaboration between Departments/Ministries** - The level of collaboration among different departments in the Indian civil services can be further bolstered. In this connection, the Service-Wide Technical Architecture (SWTA) of Singapore can be replicated to improve collaborative learning and knowledge sharing.

Evolution of Civil Services in India

<i>Pre - Independence</i>	<i>Post-Independence</i>	<i>Post Liberalisation</i>
<ul style="list-style-type: none">• During this period the responsibility of the civil services was limited to facilitating trade for the East India Company, maintaining law and order, and managing revenue administration.	<ul style="list-style-type: none">• Post-independence, the role of civil servants became development oriented.• Civil servants were entrusted with a wider range of responsibilities such as regulation of the private sector, formulation of socio-economic and political policies, elimination of poverty, development of rural areas, combating inflation, and elimination of social inequity to name a few.	<ul style="list-style-type: none">• Rapid economic growth and liberalisation brought about significant changes in the expectations of the citizens.• Keeping in line with these changing expectations, the Second Administrative Reforms Commission (ARC) suggested reforms to achieve a proactive, responsive, accountable, sustainable, and efficient public administration.

1.1 Changing Role of Civil Services

Driven by the changing external factors and the nature of responsibilities, the role of civil services has changed significantly from the pre-independence days to current times. Civil services were introduced by the British merchants in India for the purpose of trade. During the 17th century, civil services consisted of a group of men engaged in facilitating trade for the East India Company. These men were called commercial trade agents and were responsible for handling trade stations built along the Indian coast. The East India Company designed a grading system of posts to build hierarchy.

In 1765, the administrative duties and responsibilities of the civil servants were increased from only trade related activities to include revenue and judicial administration. Prior to independence, the key responsibilities of the civil services were to maintain law and order and manage revenue

administration; hence, the civil servants were required to possess simple skills of administration.

The changing dynamics post-independence necessitated the need for a transformation in the civil services in India. The role evolved and the civil services became development oriented. The civil servants had to deal with developmental issues and were required to continuously acquire new skills relating to development administration. Civil servants became responsible not only for trade negotiations and administration but also for the regulation of the private sector; formulation of socio-economic and political policies; elimination of poverty; development of rural areas; combating inflation; effective monetary management; reduction of gender gap; elimination of social inequity; participation in international discussions; and management of Public Sector Enterprises (PSE). This made the job highly demanding and required a high degree of flexibility and competence on the part of the civil servants.

Unlike the civil servants of the pre-independence era, who reported to senior executives appointed by Governors (who in-turn were not accountable to the public), these days, civil servants work within the boundaries of a democratic system of governance and report to elected members of the public. Moreover, an ever so vigilant press, public, and alert legislatures make the responsibilities of civil servants more demanding. Rapid economic growth and liberalisation have brought about significant changes in the expectations of the citizens. Keeping in line with these changing expectations, the Second ARC suggested reforms to achieve a proactive, responsive, accountable, sustainable, and efficient public administration.

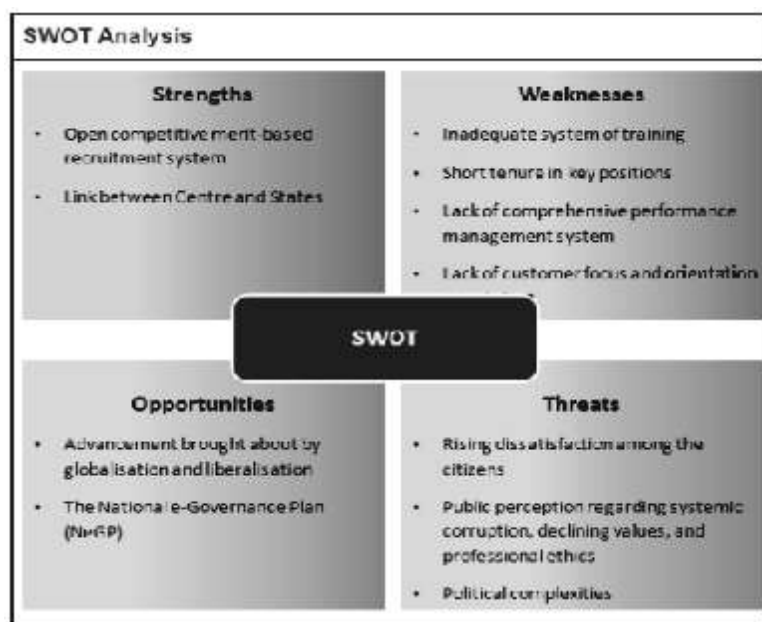
Thus, over a period of time, the role of civil services transformed from trade to administration to development orientation and facilitation for efficient delivery of public services.

2. CURRENT STATE OF CIVIL SERVICES IN INDIA

“If we look back at the history of modern administration in India, we can take justifiable pride in what has been achieved. The civil services 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, epitomising Gandhiji’s vision of an inclusive society, the civil services have played an admirable role.”³

– Dr. Manmohan Singh, Honourable Prime Minister of India

Prime Minister Manmohan Singh has rightly summed up the achievements of the civil services in India in the above quote. We cannot deny the fact that the civil services have contributed to the stability of the country in terms of maintenance of peace, conduct of fair elections, managing disasters and preservation of the unity of the nation. However, when it comes to realisation of results-oriented government, there exist concerns with respect to the performance of the civil services. The Indian civil services, like any other system, have strengths and weaknesses of their own.



³ Tenth Report “Refurbishing of Personnel Administration Scaling New Heights”, Second Administrative Reforms Commission.

The strength of the civil services in India lies in their open competitive merit-based recruitment system and strong link between the Centre and the States. These have enabled the Indian civil servants to deliver their duties effectively and efficiently. Though the merit-based recruitment system helps in maintaining a pool of talented civil servants, several weaknesses such as inadequate training, short tenure in key positions, and lack of comprehensive performance management system act as hindrances in development of appropriate skills among the civil servants and hence, prevent them from discharging their duties effectively. Lack of customer focus and orientation, and accountability have also created a negative public perception thereby, creating a threat to the reputation of the Indian civil services. In addition, factors such as political complexities, falling revenues, and rising wages can reduce the ability of the system to function properly.

Just like the private sector, which has taken full advantage of the opportunities created by globalisation and liberalisation, Indian civil services too can take advantage of these opportunities if adequate measures are taken. The telecommunications and computer revolution also offer immense opportunities to bring about efficient delivery of services. For instance, the National e-Governance Plan (NeGP), which aims to promote the use of technology in government services, could help in improving the quality of administration and service delivery as well. Increased use of technology would also help in bringing greater accountability and transparency.

Over the years, the civil services have been seen struggling with several structural issues which have reduced their efficiency and effectiveness. Consider the following findings from a 2010 survey conducted amongst the civil servants:⁴

- 41 percent respondents felt that they did not have competent and adequate staff to support them.
- 45 percent respondents felt that the existing policies and procedures were not helpful in dealing with indiscipline in the office.
- 65 percent respondents indicated 'training programmes' as being too general and not matching specific needs of the job.

⁴ Civil Services Survey, 2010 - A Report; Ministry of Personnel, Public Grievances and Pensions; Department of Administrative Reforms & Public Grievances.

- Only 21 percent respondents felt that their seniors were spending sufficient time to mentor them.
- More than 75 percent respondents cited ‘compensation’ and ‘lack of recognition’ as key reasons for considering quitting civil services.

Compare these to the findings of the Civil Service People Survey, 2012 in the UK:

- 43 percent respondents felt that their organisation as a whole was well managed.
- 58 percent respondents said that they were able to access the right learning and development opportunities when they needed to.
- 71 percent respondents had confidence in the decisions made by their managers.
- 77 percent respondents said that their manager recognised them when they did their job well, while 66 percent said that their manager motivated them to be more effective in their job.

A comparison of the findings of these two surveys suggests that the civil servants in India are not fully satisfied with the structure and functioning of the system. As compared to India, civil servants in the UK seem to be satisfied with the way their system works.

Inadequate staffing is one of the areas of concern in the Indian civil services. This appears reasonable when we look at the ratio of civil servants and the population of the country. In 2010, there were nearly 6.4 million civil servants.⁵ At nearly 5,300 civil servants per million residents, this figure is significantly lower than that for Canada (~39,000 civil servants per million residents)⁶, the UK (~7,100 civil servants per million residents)⁷ or any other large economy, and raises apprehensions about the capacity of civil services to effectively deliver services to such a large and diverse population. At the same time, there are concerns around efficiency, outcome-orientation and citizen-centricity of the existing work-force, questioning whether adding more people would help.

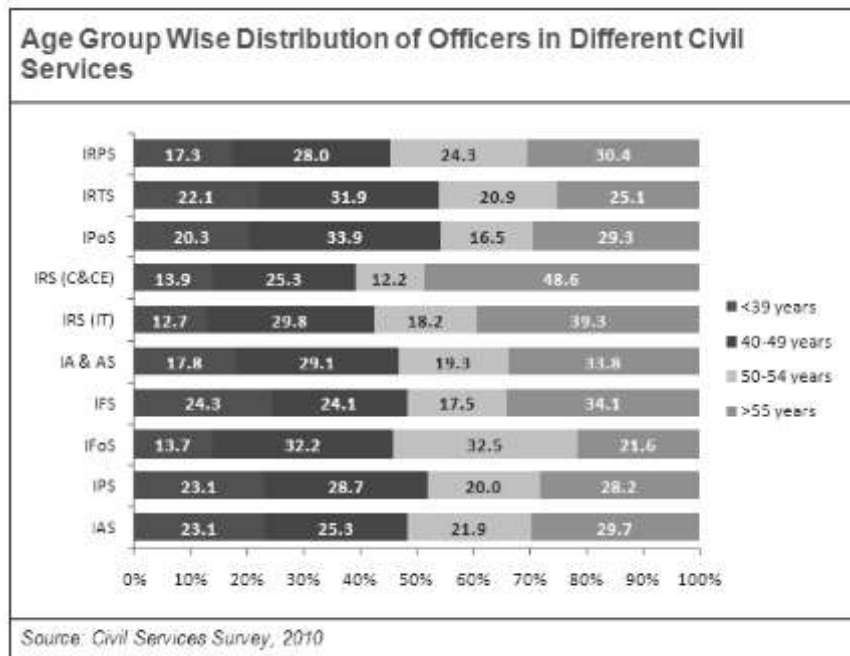
The Civil Services Survey, 2010 also reported that nearly 52 percent of officers in the All India and Central civil services are in the age group of 50+

⁵ Ibid.

⁶ Statistics Canada, Government of Canada.

⁷ Website of the UK Civil Service.

years, while another 29 percent are in the age group of 40-50 years. When we look at some of the other countries, the age profile of the civil servants is relatively young. In the UK, as of March 2012, 54 percent of the civil servants were aged 30 to 49. Further, only 35 percent were in the age group of over 50 years.⁸ Though older civil servants at higher positions imply an intelligent leadership, young leaders possess courage to take up risky projects, are highly motivated and are ready to embrace modern techniques. These qualities are imperative in an era where economic, political and technological areas change very rapidly. Moreover, if the top civil services jobs are given to people when they are 45 years old rather than 58, they would have longer tenures implying more time to learn and recover from their mistakes. This will encourage them to take up challenging projects and do different things rather than the same thing differently.⁹



There are growing concerns about the integrity and efficiency of civil servants in India. Increasing awareness among the public has led to an increased pressure to eliminate any form of corruption that may exist in the system. In January 2012, the Central Government took a vital step towards elimination of corruption by introducing a new plan to remove corrupt

⁸ Website of the Office of National Statistics, UK.

⁹ The Indian Express: "Creating Policy Boldness", February 2, 2013.

government officials from the system. As per the amendment to the existing rules, apart from other forms of inefficiency, a corruption charge could result in a government servant being retired from service after completing 15 years.¹⁰ Such measures will help instill integrity in the system and improve the public perception.

Reduced barriers to flow of information brought by globalisation and proliferation of technology, have posed new challenges to the civil services. Citizens have come to expect better public services, greater transparency, and accountability; private sector has started viewing civil services as 'service providers'; and international community has started exerting greater pressure on multiple issues (environment protection, market access, and subsidies). With the rapid advancement, the use of technology in day to day functioning of the civil services is imperative to carry out effective and efficient administration, and make the system transparent and accountable. Though the government has introduced many programmes to automate systems and digitise data, the adoption of technology in civil services is still low, particularly at senior levels. In order to increase the efficiency of the civil servants, it is necessary to enhance their technical orientation.

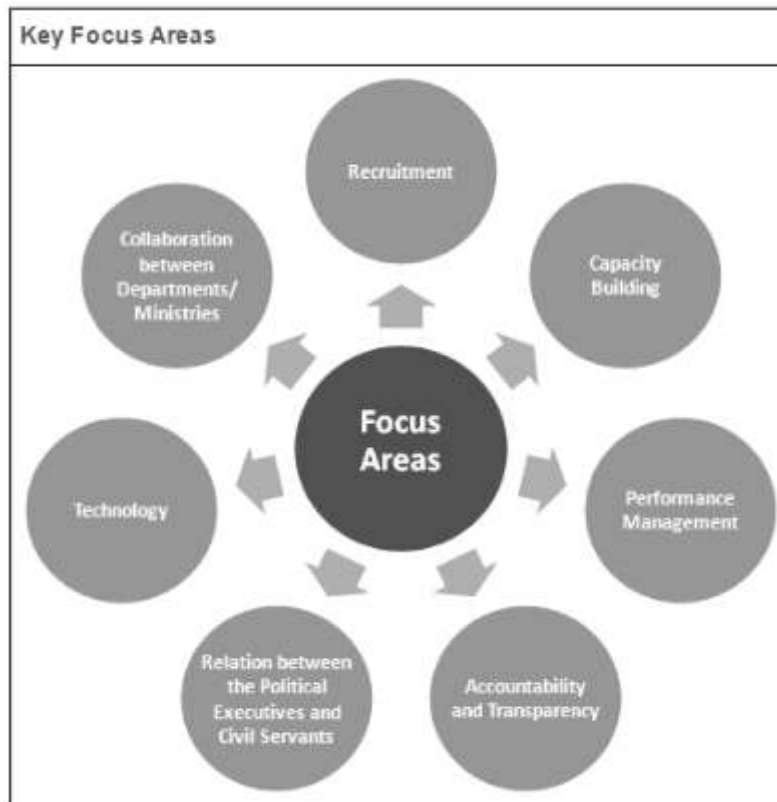
When we look at the current state of the civil services, it raises concerns with respect to the role, capacity and capability of civil services to perform effectively in the future. Issues such as, aging workforce, lack of recognition and incentives, ill-defined training programmes, limited mentoring of junior officers by seniors, difficulty in removing non-performing officers, etc. are going to have a significant bearing on the ability of the civil services to perform their duties and match aspirations of a young, dynamic population in the future. In the years to come, the civil services will have to perform multiple roles they will have to change their role from being a 'controller' to being a 'facilitator' or 'enabler' for the private sector to prosper; they will have to develop systems and processes to ensure equitable growth and efficient delivery of services to the public; they will be required to deal with complex international issues while ensuring that they continue to improve the knowledge and quality of their personnel, embrace technology and adopt best practices to stay ahead of the challenges.

The Indian civil services have been able to respond well to some of these challenges till now, and have been constantly building up on the reforms that are needed to make the system more effective. However, gaps still exist and addressing these gaps is where the real challenge lies.

¹⁰ India Today: "Corruption taint may lead to compulsory retirement for babus", March 28, 2012.

3. MAKING CIVIL SERVICES FIT FOR FUTURE

The following are some of the areas that need to be addressed in order to make the civil services ready for the future challenges:



3.1 Recruitment

The quality of governance in a country is dependent on the quality of its civil services. A major determinant of the quality of civil servants is the rigour of the recruitment process. An effective recruitment process is important to ensure that the most capable people are selected in civil services.

In India, the Union Public Service Commission (UPSC) has the mandate to recruit senior civil servants for the Union Government. The UPSC acts as a recruiting agency and makes recommendations for appointments to the Centre.

As per Article 320 of the Indian Constitution, function of the UPSC includes:

- Conducting examinations for appointments & the services of the Union.
- Advising the Centre on disciplinary matters related to government servants holding civil posts.

Though an open competitive merit based recruitment system acts as a strength for the Indian civil services, however there are some weaknesses in the recruitment system, which need to be addressed. The existing selection process is primarily focused on knowledge and does not assess attitude and behaviour. Today's fast changing environment warrants the availability of well-rounded professionals i.e. people with knowledge who are adept at understanding the dynamics of the new age world. Absence of these qualities inhibits performance and amplifies the challenges in effective delivery of public services.

Some of the key areas under recruitment which can be made effective to ensure a better functioning of civil services are highlighted below:

3.1.1 Age of Entry

Currently, the maximum age of entry to civil services is 30 years (with some relaxations for different categories). Those who find the current age appropriate believe, that a higher age limit enables the candidates hailing from rural background to gradually reach a level-playing field with the urban youth as rural candidates often complete their graduation later than their urban counterparts.

However, a majority of civil servants (nearly 67 percent)¹¹ consider that the maximum age of entry to the civil services should be lowered from the present level. This majority believes that reducing the age limit will help in:

- Induction and grooming of young talent to ensure availability of civil servants for a longer span, and

¹¹ Civil Services Survey, 2010 - A Report; Ministry of Personnel, Public Grievances and Pensions; Department of Administrative Reforms & Public Grievances.

- Ensuring only the genuinely bright candidates enter the services rather than those who have mastered the examination through repeated attempts over the years.

Lowering the age limit has also been recommended by the Second ARC. In its Tenth report, the Second ARC recommends that the permissible age for appearing in the civil services examination should be 21 to 25 years for general candidates, 21 to 28 years for candidates from Other Backward Classes (OBC) and 21 to 29 years for candidates from Scheduled Castes/Scheduled Tribes (SC/ST) as also for those who are physically challenged.

3.1.2 Post-Selection Counselling

At present, the candidates are asked to indicate their preference of various services before writing the civil services examination. However, in absence of a proper system of counselling, these preferences are based on the popular perception about the services. Once selected candidates enter the service, the actual job profile and working conditions appear different from their initial perception, which discourages them to perform their services effectively.

A post-selection counselling could help mitigate this to a large extent. Also, nearly 82 percent¹² of the civil servants agree that there should be further counselling to enable the candidates to make proper choice of services after selection.

3.1.3 Lateral Entry

Indian civil services focus more on hiring at the entry level, and do not lay enough stress on lateral hires. Civil services do not utilise fully the talent, skill and experience available from varying fields such as academics, research and private sector, with the result that there is an absence of a fresh perspective and dearth of expertise in certain areas. Lack of lateral hiring also brings complacency in the existing civil services workforce, since there is no fear of competition. In its Tenth report, the Second ARC recommends that there is a need to institutionalise the process of induction of outside talent into the government.

¹² Civil Services Survey, 2010 - A Report; Ministry of Personnel, Public Grievances and Pensions; Department of Administrative Reforms & Public Grievances.

Focus on Lateral Recruitments

- Some countries across the globe, such as Australia, Belgium, New Zealand, and the UK have an open system in which appointments for identified senior positions are made from a wider pool comprising all civil servants who are qualified to apply, as well as those applicants from the private sector with relevant domain competency and experience. In these countries, all professional cadres in the government and even those outside the government can compete for selected top positions. This system not only opens up the choice of top civil services appointees from different sources, but also makes possible for lateral entrants to bring in their own work culture which enables renewal in government organisations.

3.1.4 Contract-based Employment

By creating an opportunity for individuals to join the civil services for a limited period of time, an introduction of contractual employment arrangements can help the government to attract a larger pool of candidates for recruitment.

From a government's perspective, an additional benefit of contract-based employment is that it reduces public employees' ability to engage in activities which involve using their position in the government to protect or enhance interests as they do not have much time, job-security and political leverage to do so.

Contract Based Employment in Civil Services

- In Australia, a lot of emphasis has been placed on contract-based employment. Of all the employees associated with the Australian Public Service (APS), nearly 9 percent were employed on a contractual basis in 2012. Further, as compared to 2011, the number of contracted employees grew by 11 percent in 2012.¹³
- Under its Public Service Act, the Secretaries in Australia are appointed on a contract basis, for a maximum of five years.
- Iceland has abolished a life job guarantee for most government employees and introduced a system whereby senior civil servants are hired on a five-year, fixed term, and renewal contracts.

¹³ Australian Public Service Commission APS Statistical Bulletin 2011-12.

3.1.5 Recruitment Examination Pattern

The structure of the recruitment examination forms the basis for selecting quality candidates with required skills and knowledge. An effective and appropriate examination cycle would drive this purpose.

Currently, the candidates in the Indian civil services examination are shortlisted on the basis of their score in the main examination with over 50 percent weightage to the optional subjects. Thus, students opting for mathematics and science related subjects score better over those opting for humanities and general studies papers.

In response to the challenge of not being able to recruit candidates based on their attitudes and behaviour along with knowledge, the UPSC¹⁴ has decided to revamp the pattern of the exam and give more weightage to 'General Studies' section of the exam. The UPSC has added a mandatory exam on ethics, integrity, and aptitude. This will include questions to test candidates' attitude and approach to issues relating to integrity, probity in public life, and their problem-solving approach to various issues and conflicts faced while dealing with the society. Therefore, the main examination will now have two qualifying papers of 300 marks each and five compulsory general studies exams (including one on ethics, integrity and aptitude) of 250 marks each, in addition to one optional exam of 250 marks.

The Second ARC has also recommended a few specific areas to make the current structure more robust. In its Tenth report, the Second ARC recommends that:

- The preliminary examination should consist of an objective type test having one or two papers on general studies including the Constitution of India, the Indian legal system, Indian economy, polity, history and culture. There should be no optional subjects.
- The main examination should consist of two papers only in the compulsory subjects. These compulsory subjects may include Constitution of India, Indian legal system, Indian economy, polity, history and culture. The question papers should be of the conventional descriptive type. Besides, there should be a separate essay paper as a part of the main examination.

¹⁴ Union Public Service Commission Website.

Although the UPSC has already taken a stand on few areas, a continued focus towards strengthening the examination structure may bring a radical reform towards laying a foundation of the most capable officers in civil services.

3.1.6 Specialised Government Institutes/ Colleges

It is important to have specialised civil service colleges or higher education institutions which provide graduation degrees in public administration and related courses to students before they write the civil services exam. In its Tenth report, the Second ARC has recommended certain areas for consideration and these include:

- The Central Government can establish institutes for public administration services to run courses in public administration/governance/management. These specialised centres of excellence could evolve as a key source of recruiting civil servants.
- Selected central and other universities should also offer graduate level programmes in public administration/governance/public management. This will help to expand the pool of eligible applicants to the civil services.
- The courses offered should include core subjects such as the Constitution of India, Indian legal system, administrative law, Indian economy, Indian polity, Indian history and culture apart from optional subjects.
- Finally, graduates who pass out from such institutes of public administration and universities would be eligible for appearing in the civil services examination.

Specialised Government Institutes in France

France has an elaborate network of civil service schools which are higher education institutions separate from public universities. Each of them is run under the supervision of a concerned minister. The premier school, 'Ecole Nationale d' Administration' (ENA) or 'National School of Administration' is supervised by the Prime Minister but managed by the Ministry of Civil Service. Entry to these schools is through competitive examinations, open to candidates fulfilling objective criteria such as age and level of education i.e. a graduate degree. The ENA is an administrative establishment of the government which trains top level civil servants and was created for two purposes:

- To standardise the recruitment of civil servants meant for a wide variety of careers.
- To ensure professional training of the highest quality for those civil servants who are expected to rise to the highest levels of public service.

ENA students complete a one-year professional internship followed by 15 months of course work. At the end of their studies, students are ranked according to their academic merit and in the order of decreasing merit, asked to choose the service they wish to join.

3.2 Capacity Building

Training is a critical component of human resource development. It complements a person's education by updating knowledge, inculcating skills and values, and helping to change entrenched mind-sets. Additionally, it promotes team spirit and in general increases the value of an individual to the organisation and, consequently, society. Thus, training of civil servants is an important focus area.

In order to enhance the value of training, the Indian Government has set up a well-established and a fairly good system for training of civil servants.

Today, almost all major organised services have a national level training institute/academy. Some organisations such as the Indian Railways have established a network of training institutions for training of civil servants of different categories. States have established Administrative Training Institutes (ATIs) for training of State Government employees. Some States have also established district training institutes for training of functionaries.

The Training Division of the Department of Personnel and Training (DoPT) administers the induction training to recruits of the Indian Administrative Service (IAS), other All India Services and the Central Services. DoPT also sponsors training programmes on a variety of subjects for different categories of the Centre and State Government employees. The Training Division provides assistance to enhance the training equipment of government training institutions. It has also formulated the National Training Policy (NTP).

The institutional mechanism of training has been redesigned due to the changes in the government and the emerging challenges in civil services. Accordingly, the 'NTP 2012' was formulated based on the consultation with all Ministries/Departments of the Central Government.

- In order to classify the distinct types of posts and indicate the competencies required for such posts, the 'NTP 2012' has directed every Ministry/Department to create a training cell to classify all posts with clear job description and required competencies. Based on these requirements, Cadre Training Plans are developed to link the training and development of competencies for career progression of individuals.
- The training plan of each Ministry/Department needs to address the gap between the existing and required competencies and provide opportunities to employees to develop their competencies.
- It is recommended in 'NTP 2012' that each Ministry/Department set aside at least 2.5 percent¹⁵ of its salary budget for training.

Although the 'NTP 2012' laid down some effective measures to set up training institutions at various levels, an overarching problem in the system of not making all civil servants available for training remain a major impediment for effective execution.

For instance, based on the compulsion of short-term needs as against the long-term objectives of an organisation, immediate supervisors tend to be guided by the compulsions of the current needs and not spare their best officers for training. This acts as a major hindrance for the good officers to get proper understanding of work environment. Also, the trainings are not taken seriously by the trainees who are frequently from the 'not so good' category as the process does not chose candidates on the basis of their ability, commitment and knowledge of training.

Moreover, Indian civil services have not potentially explored the use of technology for training purposes. One area which can be explored is to develop online trainings which will serve as a ready reference for civil servants in case they need to go back and check something. Also, these trainings can be taken as per one's own convenience and flexibility.

¹⁵ National Training Policy, 2012, Department of Personnel & Training (Training Division); Ministry of Personnel, Public Grievances and Pensions .

Civil Service Learning (CSL) in the UK

CSL is one of the expert services developed by Civil Service HR (the UK government body for HR Operations) and was launched in April 2011. The purpose of CSL is to centrally deliver all generic Learning and Development (L&D) for civil servants, from classroom courses to online resources and e-learning. CSL is responsible for procuring high quality learning products from a range of suppliers, which are available for the staff through CSL's website. There is a wide range of free online courses available to everyone, under three key headings:

a. Working in the civil services

This covers skills that are specific to working in the government context, for example, writing briefings and submissions, as well as legal awareness or quality and diversity. The policy profession curriculum continues some of this learning, for example, on parliamentary processes.

b. Core skills

These are skills which are a must for an effective performance. These include customer service, project management, finance and IT related skills.

c. Leadership and management development

This covers the skills needed for excellent leadership, people and business management at all levels of civil services. It also includes topics around managing change.

Benefits to Civil Servants

- High quality, high impact, cost effective generic L&D services for the civil services as a whole.
- Single catalogue of 'generic' L&D products within a common curriculum, which has been designed working closely with government wings.
- Curriculum addresses changing business needs and skills gaps to ensure that staff can meet the requirements of their existing roles.

Access to learning is offered online and is available to staff whether they are office-based or working remotely, including from home.

Additionally, on-the-job training for the civil servants is another area which needs more focus. In its Tenth report, the Second ARC has also recommended that the district training for IAS officers should include an on-the-job training in one field of their choice for a period of one month. This will help to develop the element of domain specialisation linked to an officer's own interests and qualifications at a nascent stage of the career.

On-the-Job Training in the UK Civil Services

Most departments in the UK civil services offer on-the-job training which includes learning from experienced staff and attending in-house training courses. A mentor (usually a senior member of staff within the department) is also assigned to offer advice and guidance.

In a fast changing world, it becomes important for civil servants to keep themselves informed of the latest developments in their field of work. In this regard, the following aspects can be considered to develop a well-rounded training programme:

- The trainings are not limited to build domain knowledge, but also cover management concepts (programme management, change management, people management), technology developments (social media, cloud computing) and specific areas of public administration (development administration, maintenance of revenue records, and coordination between the autonomous agencies of the government).
- The trainings are not a one-off intervention, but a regular and an ongoing process.
- Civil servants are encouraged to obtain higher academic qualifications and to write papers for reputed and authoritative journals.
- All civil servants undergo mandatory training before each promotion and each officer/official should be evaluated after each training programme. Successful completion of the training programmes should be made mandatory for promotions.
- A conscious effort can be made not only to identify and document best practices but also build policy and create new structures and institutions to encourage mass replication. A National Institute of Good Governance may be set up by upgrading one of the existing

national/state institutes to identify, document, and disseminate best practices and also conduct training programmes.

- Opportunities for training and professional development can frequently be provided to staff ‘on-site’ or within the context of their everyday jobs.

3.3 Performance Management

Performance management is the means by which public service goals are linked to individual target-setting, appraisal, and development. An effective performance management system can play a crucial role in managing performance of civil servants by ensuring that they understand what is expected and evaluating them based on those expectations. Further, it facilitates a cordial relationship between employees and their supervisors.

Performance appraisal in the Indian civil services is a joint effort between the civil servant and the reporting officer who initially set targets and goals. The performance appraisal of civil servants is executed through two¹⁶ different models, namely ‘Annual Confidential Report’ (ACR) - a closed system, where at the end of a pre-set period (usually a calendar year), achievements of the civil servant are recorded and graded, absolutely or relatively, and ‘performance appraisal with openness’ a process which involves setting goals at the start of the assessment period, reviews during the period and final assessment against achievement of goals.

There is a need for a comprehensive performance management system in civil services. Outcomes need more focus than outputs. Promotions are based on tenure rather than merit resulting in complacent civil servants. It needs to focus on quantification of targets and evaluation against achievement of targets. The system is also affected by unclear performance standards.

Also, most of the civil servants believe that the current performance appraisal system needs focus and improvement. Only 43 percent of the civil servants agree that the performance appraisal system is fair, objective, and transparent. Moreover, only 35 percent of the civil servants agree that high achieving meritorious officers are valued, recognised and duly rewarded for their work.¹⁷

¹⁶ Tenth Report “Refurbishing of Personnel Administration Scaling New Heights”, Second Administrative Reforms Commission.

¹⁷ Civil Services Survey, 2010 - A Report; Ministry of Personnel, Public Grievances and Pensions; Department of Administrative Reforms & Public Grievances.

Performance Appraisal and Promotion in New Zealand

Performance appraisal and promotion are tightly linked in New Zealand. Drawing on private sector models, the government introduced and applied to all employee levels a participative, objectives-based system. Under this system, performance is measured against objectives and standards agreed upon at the beginning of each evaluation cycle. Individual targets flow from the corporate mission statement and agency business plans that constitute part of the Framework Agreement between the agency and the minister. Performance appraisal is one of the central features of the performance management agreements between departments and ministers, and is credited with strengthening accountability throughout the system.

The performance management system can be designed in accordance with the overall strategic framework of the department. In addition to the annual review, interim discussions can also be conducted to provide guidance before the final appraisal. Additionally, performance rewards and an acknowledgment for contributions would result in motivation hence, enabling overall improvement of performance.

Apart from praising the best performers, it is also required to effectively manage underperformance. It is important to properly analyse the problems and develop solutions in consultation with the civil servants. Once these are discussed, the performance of the civil servants needs to be monitored. In case the performance is not improved after exploring all avenues for improvement, it might be necessary to ask the civil servant to retire.

Moreover, it is necessary to ensure that performance management is a continuous activity and not a once in a year activity. It includes informal review discussions on a periodical basis to help with proper encouragement and guidance when necessary. The focus should not be on being overly critical but the idea should be to let the officer focus on the agreed goals and be given the freedom to work and be accountable for the results/outcome.

Managing Underperformance in Australia

The Australian Government emphasises on managing underperformance. While the procedures for handling underperformance vary depending on the culture and circumstances of each organisation, it is recognised that they:

- are an integral part of a culture of active performance management
- have regard to procedural fairness
- are streamlined and efficient
- balance the needs of the agency and the employee

In case of recurring underperformance, the agencies terminate the employment of these civil servants, reduce their classification or assign them to other duties.

It is also argued that the incentive structure in government needs to be modified to motivate better performance. The government can include performance based incentives in the remuneration of civil servants. Many countries such as Malta and Australia among others have abandoned the unified pay structure for civil servants and moved to an incentive based compensation structure.

Performance-based Pay for Senior Civil Servants in Malta

Malta has implemented a performance-based pay scheme for its senior civil servants. Key elements of this system include the following:

- Senior officials are recruited to a unified career structure known as category A, which incorporates most top-level positions.
- Category A officers are appointed for three-year terms (though they retain tenure in their substantive grade). An incumbent whose contract expires has to re-apply for the position and is not guaranteed renewal of the appointment. An individual whose appointment is not renewed reverts to the substantive grade, which is usually at a lower level.
- An integral component of a category A appointment is an annual performance agreement between the appointee and his or her superior officer. This sets out a number of key tasks (overall goals) and performance targets (indicators of achievement of key tasks).

At the end of the year, the appointee and his or her superior officer jointly evaluate the appointee's performance against this agreement.

- On the basis of the evaluation, the appointee is paid a performance bonus ranging from 0 to 15 percent of basic pay.

This scheme has yielded significant benefits. In particular, it has helped to strengthen the organisational reporting relationships and provided the heads of ministries and large departments with tangible mechanisms of accountability in relation to their immediate subordinates.

Performance-based Pay in Australia

In Australia, all agencies of the Australian Public Service (APS) are required to link improvements in pay and employment conditions to productivity and to report annually to the government on achievement of outputs and expenditure against programme budgeting statements under an outcomes and outputs framework. Thus, the performance management system guides the salary movements of civil servants in Australia.

A sound performance management system covers all areas from setting measurable goals at all levels to monitoring performance of each individual within the organisation. As such, the following areas require due consideration:

- An evaluation system in which measurable, understandable, verifiable, equitable, and achievable elements and the standards of the performance appraisals are set beforehand.
- A performance management system which is more consultative and transparent.
- Performance appraisal formats which are specific to the job.
- A 360° evaluation framework which takes into account the feedback from citizens, peers, subordinates and seniors.
- Adequate rewards to employees to motivate them.

Performance Management Best Practices in Other Countries

- In Singapore, citizen feedback on how civil servants responded to their queries and needs is an important input to judging the performance of civil servants.
- In Australia, secretaries and agency heads are eligible for annual performance bonuses up to 15 percent of their remuneration, depending on their performance assessment.
- Korea has moved to implement 360° feedback schemes in some government agencies.
- The annual within-grade increment received by high-level civil servants in the UK can be higher or lower depending on the rating they receive in an objectives-based performance appraisal.
- To encourage innovation, creativity, and performance, some government agencies offer one-off cash bonuses to employees whose recommendations lead to substantial cost-savings. The public recognition which individuals and teams receive is often just as important as the financial award itself. An example of this is the “GEMS” award scheme run by the UK Ministry of Defence. Under this scheme, the personnel submit suggestions for innovation and each suggestion is evaluated on the basis of merit. Identified savings are calculated as part of the evaluation process and measured. Good suggestions are appropriately rewarded.

Promotions in Singapore Civil Service

The Singapore Civil Service (SCS) has a fair and rigorous appraisal system to take stock of the talent within the organisation and know the strengths and weaknesses of the officers. The SCS views promotions not simply as a reward for past performance but also as an expectation of competent performance and contribution at a higher level. The principle underlying promotion is that the officer's Currently Estimated Potential (CEP) determines the pace of promotion. CEP refers to an estimation of the highest level of work an officer can handle competently before retirement. It is assessed by considering two factors: helicopter and whole person qualities. Helicopter quality is the ability and drive to look at a problem from a higher vantage point with simultaneous attention to relevant details. The whole person qualities give an overall view of the officer taking into account the intellectual qualities, result orientation and leadership qualities.

There is a system of accelerated promotion for the very competent based on the CEP. In this system, time norms for promotion are hastened in outstanding cases, so that very competent officers could be promoted to the ultimate rank by the time they reached 45 years of age.

3.4 Accountability and Transparency

Globally, public administration is facing constant change and is characterised by increasing public awareness, which has become a challenging task for the decision and policy makers and thus poses a huge challenge for the civil servants. Management of public administration becomes even more challenging in developing countries, such as India where the governments have been under pressure to respond to the ever increasing demands of their citizens and to the changes in the global atmosphere. The expectations of citizens from the governance system have increased and to meet this, the government needs to build accountability and transparency in the functioning of its departments.

According to Transparency International's Corruption Perceptions Index, 2012, which scores countries on a scale from 0 (highly corrupt) to 100 (very clean), India has a score of only 36 and is ranked 94 as compared to Singapore (rank 5), Australia (rank 7) and the UK (rank 17). Transparency helps in improving the performance of government departments by making them accountable and also increases the participation of citizens in the development process by providing information on government schemes. In a bid to instill accountability and to set out a practical regime of right to information for citizens, the Indian Parliament enacted the Right to Information (RTI) Act in 2005.

RTI Act has become the key channel for civil society to seek transparency. There has been a spurt in requests by people to stay better informed on issues that concern them. Each and every opinion and decision of civil servants is now subject to public scrutiny, thereby forcing civil servants to act in a more prudent manner. The flip side of the RTI Act has been the time and resources expended by the various Departments to answer queries, given the lack of proper systems and processes to store and retrieve information.

Moreover, the concept of Citizen's Charter has been introduced to address and resolve the problems encountered by citizens while receiving a public service:

- The Citizen's Charter is an instrument which seeks to make an organisation transparent, accountable and citizen friendly.
- It is a set of commitments made by an organisation regarding the standards of service which it delivers.
- The basic principle behind a Citizen's Charter is the empowerment of citizens.
- A Citizen's Charter helps in ensuring that public agencies are providing services to the citizens and are maintaining the minimum standards and norms of service quality.
- The main objective behind introducing Citizen's Charter is to ensure transparency in all government dealings that helps build trust and confidence towards the administration.
- However, there is a strong need to introduce a legislation to ensure time bound delivery of public services and a grievance redressal structure that can take care of complaints regarding public service delivery.
- The legislative was introduced in the Parliament in December 2011.

'Public Service Agreements' in the UK

In the UK, three-year 'Public Service Agreements' have been introduced under which departments publicly state the outcomes which citizens can expect from their spending, and disclose explicit productivity and performance targets.

In India, Comptroller and Auditor General (CAG) is the body whose mandate is to monitor and ensure public accountability. However, CAG reports are not fully utilised to effect constructive policy changes. It would be good practice for all Departments and Ministries to publish in their annual reports the follow up actions taken based on CAG's findings for the last two years. Beyond relying solely on audit reports, the Centre and the State Governments should also proactively conduct external audits of some of their main spending departments. Such external audits would supplement the regular internal audit process and are more likely to provide fresh leads for further investigation or improvement. The Central Government should also objectively assess the experience and perception of the general public that civil servants are intended to serve. One way to help encourage accountability is to hold public forums on matters pertaining to the work handled by each department.

Feedback from Citizens in Singapore

- In Singapore, public perception surveys take a measure of public service delivery as perceived by households and communities.
- In addition, townhall meetings are quite common in Singapore as a means to collect feedback on policy issues.

The accountability of the civil servants can be strengthened by resorting to explicit contracts governing the relationship between ministers and the departmental heads. The contracts can cover both the performance expected of the departmental heads and the policy and/or operational outputs. The agency heads can be given the authority necessary to deliver the results expected of them because these results are clearly specified in advance. Such an accountability regime will give agency heads sufficient incentive to develop well-functioning organisations, precisely because the performance of the agency head is ultimately tied to the performance of the subordinates and the effectiveness of departmental management systems and operational procedures.

Using Contracts for Accountability in New Zealand

The New Zealand government follows a novel approach for departmental accountability and performance assessment. The approach involves the minister setting the direction for the departments and ensuring they retain the ability to deliver government's programmes in the longer term. The approach consists of having performance contracts and strategic planning documents which are signed by both the ministers and the chief executives. These documents describe the outputs to be supplied, and include a rationale for their production, linking them to the department's key priorities, or directly to the government's key goals.

In India, civil services values have evolved over years of tradition. However, there is a need for a strong code of ethics as present in other countries. A comprehensive 'civil services code' can be conceptualised at three levels.

- At the apex level, there can be a clear and concise statement of the values and ethical standards that a civil servant should imbibe. These values can reflect public expectations from a civil servant with reference to political impartiality, maintenance of highest ethical standards and accountability for actions.

- At the second level, the broad principles which should govern the behaviour of a civil servant may be outlined. This would constitute the Code of Ethics.
- At the third level, there can be a specific Code of Conduct stipulating in a precise and unambiguous manner, a list of acceptable and unacceptable behaviour and actions.

Focus on Ethics and Public Service Ethos in New Zealand

In New Zealand, the reforms have led to the enactment of the State Services Act with focus on ethics and public service ethos. This was primarily because civil services reforms in New Zealand created a system in which loyalty of the civil servant was to the department or agency rather than to the public service as a whole. So, it was necessary to raise the awareness about ethics, and public service values and ethos. The State Services Commission took the lead in raising such awareness and issued the Code of Conduct for civil servants. A Standards and Ethics Board was also set up.

Civil Service Code in the UK

The UK has a well-defined Civil Service Code. The Code is a clear and concise statement of standards of behaviour that the civil servants must follow, and is a part of the civil servant's terms and conditions of employment. In addition to describing the integrity and loyalty required of civil servants, the Code prohibits deceiving parliament or the public, misuse of official positions, and unauthorised disclosure of confidential information. The Code provides a right of appeal to independent civil service commissioners on matters of propriety and conscience, if the problem cannot be resolved within the department in question.

3.5 Relation between the Political Executives and Civil Servants

Good governance is possible only when there is a healthy working relationship between the political leaders and civil servants. The principles that oversee the roles and responsibilities of Ministers and civil servants are well defined in political theory. However, in reality this division of responsibility often becomes distorted and both sides encroach upon the other's domain of responsibility. India is a democracy and hence, Ministers are responsible to the people through the Parliament. Since implementing

policies is a core function of the civil servants, the division of responsibility between the civil servants and Ministers needs to be more clearly defined.

Creating a framework in which responsibility and accountability is well defined is extremely essential. In absence of such a framework, conflicts are likely to arise in the relationship between the political executive and the permanent civil services. The tenth report of the Second ARC identified the following areas of potential conflict:



1. Concept of neutrality

The norm of political neutrality seems to be disappearing from the system as many civil servants are thought to have some kind of political involvement. It is widely perceived that in order to obtain suitable positions, officers have to develop and seek benefaction from politicians. Thus, the civil services in public perception are often seen as increasingly politicised.

2. Advisory role of civil servants in policy making

One of the most important functions of civil servants is rendering policy advice. However, civil servants are often occupied with routine administrative decision making and are unable to contribute effectively to this fundamental part of their function. Even when a civil servant advises a political executive on a policy, if the political executive does not agree with such an advice, there is little that the civil servants can do other than putting their views clearly on record.

3. Statutory role of the civil servants

Civil servants have to perform many statutory functions which may be quasi-judicial in nature. Sometimes, it has been witnessed that the senior officials both in the civil services as well as elected representatives including ministers interfere in such statutory functions.

4. Discharge of delegated functions

Centralisation of authority and interference in the decision making of the subordinate functionaries even after having delegated authority downwards has been observed in many government departments. Such centralisation leads to inefficiencies and poor service delivery.

5. Appointments/recruitment to the civil services

A large number of recruitments to various positions are made by departments both at the Centre and the State. Such recruitments have often been subject to complaints and controversies.

6. Transfers and postings of civil servant

In some states, cases of arbitrary and motivated transfers of government servants which are not in public interest and good governance have been observed and have become a matter of great concern.

These political complexities and conflicting roles and responsibilities of the Ministers and the civil servants prevent the civil servants from discharging their duties efficiently. Moreover, the rise of regional parties and a larger role being played by them in coalition governments, has exacerbated the challenges faced by civil servants. The result is lack of motivation and steady deterioration in the effectiveness of civil servants, as well as slowing down of the entire administrative machinery.

Clearly Defined Roles of Ministers and Chief Executives in New Zealand

In New Zealand, the respective roles of Ministers and chief executives (permanent secretary equivalents) are clearly defined in statute:

- Ministers are politically accountable to parliament (and the public) for the conduct of their agencies they are responsible for strategic direction, policy decisions, the public advocacy of the decisions made, and ‘outcomes’.
- Chief executives are responsible to their ministers and to parliament for the conduct of their agencies they are responsible for policy advice and implementation, service delivery, the management of their agencies, ‘outputs’ and ‘managing for outcomes’.

The architects of New Zealand's management reforms wanted to create a contract based principal-agent relationship between the ministers and the chief executive, in which ministers would ‘purchase’ outputs from chief executives using a system of detailed purchase agreements. However, this arrangement proved problematic, as it was costly and rigid, and ministers were usually not interested in negotiating contracts. The system evolved so that the State Service Commission became the principle assessor of the chief executive's performance, with ministers providing valuable feedback. Concerns were also raised about the way in which the contract system encouraged departments to focus on the delivery of outputs at the expense of broader outcomes. As a result, detailed purchase agreements were replaced with more streamlined and outcome-focused ‘Statements of Intent and Output Plans’, which set out ministerial objectives and civil services delivery plans.

Initially, chief executives were only responsible for departmental outputs, but now they are also responsible for ‘managing outcomes’, which requires them to take a broader view of their work and its impact on government policy as a whole, and encourages collaboration with new actors.

The shift to hold chief executives to account for ‘managing for outcomes’ was an attempt to better align administrative activities with political goals. Chief executives have to demonstrate that the outputs they are using will deliver the political outcomes. This is an important development as it links outputs with outcomes in an effective way that others might learn from.

Ministers are accountable to parliament for departmental outcomes. They are rarely drawn into the day-to-day operations of departments. Instead, their role is to develop strategic objectives and policies and to 'steer' government departments by providing them with resources, helping them to develop departmental 'Statements of Intent' and monitoring their 'Output Plans'. They are collectively responsible for the overall capacity of government.

The New Zealand model has done more than any other system to make an effective distinction workable. Crucially, the arrangements have been able to evolve and adapt with changes made where they are deemed necessary. India can learn from countries, such as New Zealand that have created best practices examples through the civil services reforms initiated by them. By leveraging these best practices, appropriate reforms can be introduced to eliminate the political complexities that exist in the Indian civil services system and the relationship between civil servants and political leaders can be made more explicit by codification of do's and don'ts to be adopted by both the political executive and civil servants.

3.6 Technology

For the Indian civil services, embracing technology is a fundamental priority. As part of its efforts to streamline operations and increase efficiency, the Central Government has introduced a massive e-Governance programme (NeGP), under which a number of systems are being automated and data being digitised and steps are being taken to make civil servants aware on the use of technology. However, factors such as limited understanding of technology and its use, particularly at senior levels, limited number of trained people, issues of change management and adoption once the systems have gone live have led to significant delays in implementing some of the projects envisaged under the e-Governance plan.

3.6.1 e-Governance

e-Governance will play a vital role in the process of civil services reforms. Technology enables the civil servants to render better services to citizens. Processes such as payment of bills and collection of taxes, detection of fraud and crime, land registration, town planning, and overseeing of natural resources become easier with the use of technology. Increase in literacy rates and accessibility to technology makes it necessary for the civil services to become more accountable and transparent in the conduct of their duties, which can be done through adoption of modern technology in the

functioning of the civil services. However, it is also important for the government to install supervision and inspection regimes to ensure that technology use by personnel is not for the wrong ends. Any civil services reform will have limited success if it neglects the role of information and communication technology.

e-Governance in Singapore

In Singapore, the e-Governance journey started in the early 80s with the goal of transforming the government into a world-class user of information technology. This began with the launch of *The Civil Service Computerisation Programme (CSCP)* which was a part of the National Computerisation Plan.

The programme started with a focus on improving public administration through the effective use of information technology. The first challenge was to get ministries to agree to change their systems and adopt new technologies. Data was also manually converted into digital format.

Over time, this evolved into the provision of one-stop services where government systems were extended to the private sector in implementation of one-stop practice portals such as PeopleHub, TradeNet, PortNet, LawNet, MediNet and BizNet, which provide a complete suite of information and transactional solutions for relevant communities (trade, legal, medical). The TradeNet and BizNet portals heightened the global competitiveness of Singapore SMEs by reducing business transactions costs, while increasing efficiency. Cost savings were estimated at US\$1 billion per year. By mid-1991, an annual 3.1 million imports and export declarations were processed.¹⁸

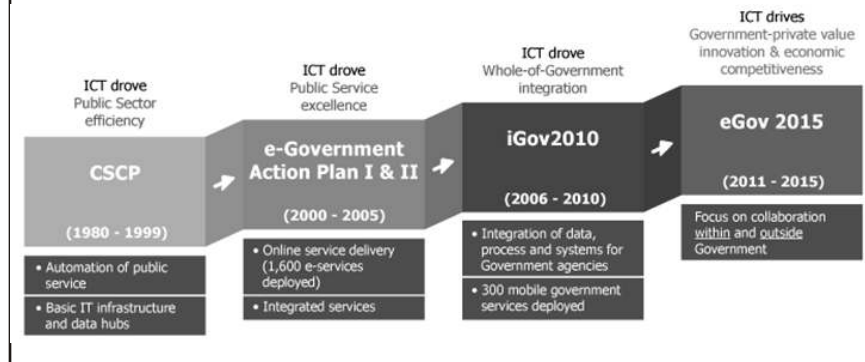
Then in early 1990s, emphasis shifted towards the consolidation of computing resources in the form of a shared data centre and a civil services - wide network.

The CSCP led to automation of work functions and reduction of paperwork resulting in greater internal operational efficiencies. In 1991, it was estimated that in the CSCP, the return of investment was US\$1.87 for every dollar spent.¹⁹ The e-Government perception surveys on businesses and the public, conducted for the year 2008, indicated that

¹⁸ The Evolution of Government In focomm Plans: Singapore's e-Government Journey (1980 - 2007), Executive Summary, Institute of Systems Science, National University of Singapore, April 2009.

¹⁹ Ibid.

more than 90 percent of businesses and more than 80 percent of individuals who transacted with government did so electronically. Of these, more than 80 percent of businesses and individuals are satisfied with the overall quality of government e-services.



3.6.2 Social Media

When it comes to adopting new technology and using new ways of communicating in a digital era, use of social media cannot be evaded. Social media can help civil servants to consult and engage with the public, increase the impact of their communications and be more transparent and accountable. If used effectively, social media can help in enhancing policy making and service delivery. Use of social media channels, however, brings with itself many risks and challenges. Thus, it is necessary to have proper policies and guidelines in place to prevent their misuse.

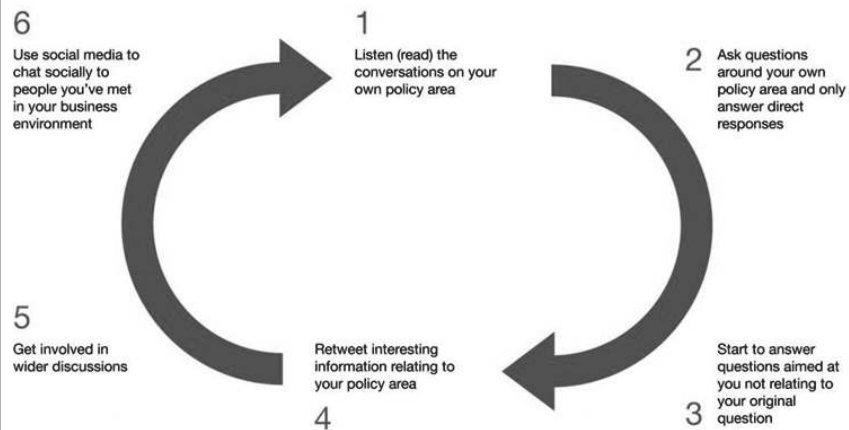
Promoting the Use of Social Media among Civil Servants in the UK

In May 2012, the UK government published new social media guidelines to promote the use of social media among civil servants. The guidelines provided tips to the civil servants on how to use various social media channels to effectively communicate with the public. The first part of the report, *Guidance on the use of social media*, puts the guidelines for civil services use into six principles:

- Communicate with citizens in the places they already are.
- Use social media to consult and engage.
- Use social media to be more transparent and accountable.
- Be a part of the conversation with all the benefits that brings.

- Understand that government cannot do everything alone, or in isolation.
- Adhere to the Civil Service Code (online as well as offline).

In order to make the civil servants understand how online engagement can be useful in the policy cycle, the guideline provided the following engagement cycle:



The second part of the report, *Guidance on overcoming the technical barriers to accessing the internet and social media*, provided guidance to the civil servants who work in Information and Communication Technology (ICT) on how to provide the necessary technical infrastructure, platforms and software to enable access to the internet and social media channels.

The head of the civil services, Sir Bob Kerslake is an avid user of Twitter and had specially requested his team to remove blocks to civil servants being able to access social media.

Lack of formal training or significant exposure to technology makes it difficult for some senior civil servants to easily adapt to modern technology. They consider technology to be a 'black-box' and have a tendency to go around it. Rather than avoiding the use of technology, they should be encouraged to try to explore and embrace it, and make it an enabler for attaining greater efficiency. New technologies enable the expansion of the administration to citizens in all parts of India. There is a huge opportunity here waiting to be exploited.

Reforming Civil Services in the UK through Technology

In June 2012, the UK government published *The Civil Service Reform Plan*. The plan aims at bringing wide ranging changes in the UK civil service through various means including use of technology to achieve efficiencies. Technology, in particular, has been planned to be used in the following areas:

- Learning and development - The plan expects to provide better service and realise annual savings of £90m, through the new Civil Service Learning. CSL entails a greater use of technology, collaborating across departments and extracting best value from suppliers.
- Improving the flexibility and usability of technology - The government plans to improve technology to enable staff to do their jobs better. Changes will include:
 - Upgrading systems across departments to ensure they support flexible and efficient working methods.
 - Updating equipment with more streamlined security systems. There is greater scope to modernise the way in which the civil service contracts technology a far wider range of devices, such as laptops, can be procured much more cheaply, rather than requiring expensive, bespoke devices.
 - Ensuring the security classifications of equipment matches the risks involved. A risk aware culture will be fostered across the government that understands the threats faced and what ‘good enough’ technology security looks like.
- Increase flexible working between departments - One of the most remarkable steps that the plan sets out in the direction of achieving this goal is to build social media platforms across departments to enable more collaborative working and knowledge sharing between departments.

3.7 Collaboration between Departments/Ministries

Collaboration between different departments and Ministries leads to greater efficiency and savings. Inter-departmental learning and knowledge sharing, in particular, plays an important role in ensuring that the use of best practices is not limited only to the departments that have created

them but is also communicated to and replicated by other Departments. There is a need to create platforms which encourage and facilitate such collaborative learning and knowledge sharing and hence, make the system more efficient. In this respect, lessons can be learnt from the private sector in India, which has already taken steps to improve not only inter-departmental but also intra-industry learning and knowledge sharing through the creation of common platforms such as the Confederation of Indian Industry (CII), and the Associated Chambers of Commerce and Industry of India (ASSOCHAM).

Technology can also be leveraged to improve efficiency in inter-department communication and collaboration. Currently, there is a lack of collaboration, concentrated planning and knowledge sharing among different departments which hampers the achievement of common goals. With proper use of technology, collaboration and knowledge sharing among departments can be increased which will promote re-use and replication of best practices. In this regard, social media, whether external or internal, can act as a useful platform.

Transcending Organisational Boundaries in Singapore

In 2002, the Singapore government developed the SWTA to serve as a set of technology standards, product registers and best practices, which guided agencies in the construction of systems. This in turn helped to facilitate inter-operability and information sharing across agencies. The domain architectures within the SWTA framework sought to reduce integration complexity, promote greater economies of scale and increase re-use of components among agencies' ICT systems.

The Indian civil services should learn from what Singapore and the Indian private sector has done to improve collaboration and introduce appropriate reforms.

4. CONCLUSION

Several fundamental changes have occurred in the civil services of most countries across the globe. In some of these countries, certain reforms have been implemented resulting in a radical transformation of the civil services. Also, some countries have pursued strategies of incremental improvements in specific aspects of the functioning of the civil services while conserving the basic core of their administrative structure.

While the civil services in India have made vital contributions to national development, the current challenges and structural issues necessitate a transformation. An improved performance of civil services is a key imperative to make India a global super power. A number of key areas, such as recruitment, training, performance management, accountability and transparency need to be scrutinised, to create the civil services '*Fit for Future*'.

It is important to ponder upon some key questions, answers to which will help in building civil services that epitomises best practices and commitment towards continuous improvement:

Recruitment

- Is the existing age limit of recruitment to civil service appropriate or should it be reduced?
- At what levels should the lateral entries be allowed? What should be the mechanism for such lateral recruitment?
- Should the civil services focus on hiring people on a contractual basis?
- How can the pattern of the civil services recruitment exam be changed to make it more relevant?
- What mechanism should be evolved to ensure that those people are hired whose capabilities match with the skills required for the job?

Capacity Building

- Should the duration of induction training be reduced?
- How to develop domain expertise in civil services?

- How do we restructure training programmes to help build domain expertise?
- How can it be ensured that trainings are not a one-off intervention, but a regular and ongoing process?
- What needs to be done to provide specialised training to the officers?

Performance Management

- How to institutionalise a performance-oriented civil service? How can we make civil service more proactive?
- What incentives could be given to encourage better performance?
- What steps can be taken to move from a tenure-based promotion system to a performance-based promotion system?

Accountability and Transparency

- How can we make civil servants more service-oriented and citizen-centric?
- What mechanisms are required to make public servants accountable to the public?
- Can we envisage a system of independent regulators and agencies to monitor the performance of Departments?
- How can citizens be more actively involved in the process of policy development and implementation?

Relation between the Political Executives and Civil Servants

- Is there disharmony between civil servants and political leadership? If so, how can this be resolved?
- Can a mechanism be evolved to insulate civil servants from undue political interference?
- How can the current hierarchical structure which results in red tapism be reorganised into a flatter structure?

Technology

- How can the civil services streamline operations and further improve efficiency by using technology?
- How can civil servants be encouraged to embrace changes in technology?
- How can civil servants use social media to consult and engage with the public?

Collaboration between Departments/Ministries

- How can the collaboration between different Departments be increased to achieve greater efficiency?
- How can technology be used to for increased knowledge sharing between Departments?
- How to increase camaraderie among various services?

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Addressing the Challenges of Public Service Delivery

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Addressing the Challenges of Public Service Delivery

1. NEED FOR PUBLIC SERVICE DELIVERY

“The measure of a country’s greatness should be based on how well it cares for its most vulnerable populations”.

– Mahatma Gandhi

Improving public service delivery is one of the biggest challenges worldwide. Public services are a key determinant of quality of life that is not measured in per capita income but through the happiness index. The need for an effective service to the citizens of the country holds prime importance for today’s public administration and various Governments have initiated multiple measures to drive an effective delivery of Public Services.

Reforms in the public sector aimed at improving service delivery have received considerable focus during the last decade. Global trends such as rising customer expectations, global competition for investment, public sector reform programmes and changing demographics have transformed the environment in which the public sector operates. This, in turn, has broken down old constraints and created new opportunities. Fundamental to the demand for improved public services are the heightened expectations of citizens expectations that transcend economic status, geographical boundaries and the different methods of funding, managing and delivering these services.

The prevailing perception of public service delivery in most countries is generally expressed through words such as ‘uncertain’, ‘unreliable’ ‘of poor quality’ ‘not known when and where it is delivered and to whom’. In contrast, the private sector service delivery is perceived as based on ‘quality standards’ and ‘excellence’. This is partly due to the historical fact that quality, innovation and intense competition first emerged in the manufacturing sector of automobile and aircraft industries and was later adopted by the consumer industries that focused on heavy advertisements. Public Service Delivery has lagged behind in quality, timeliness and publicity as well. This aspect of communicating the improvements in public service delivery to the service recipients and of involving the citizens, through stakeholder consultations and feedback, on a regular and structured basis holds importance in service delivery.

Some notable aspects involved in Public Service delivery have been mentioned below:

Experience	•Personalisation of service is necessary to ensure that customers' experiences are on a par with what they are used to receiving from the private sector.
Speed	•The time taken to deliver a service should be the shortest possible for both the customer and the organisation delivering the service, right first time
Engagement	•The manner in which services are delivered should be seen as customer-centric (ie participatory and trustworthy with the customer's needs at the core)
Responsive	•There should be an 'intelligent' mechanism in place to address any variation in meeting service levels and to drive changes in the service delivery organisation
Value	•The customer needs to believe that the service delivery mechanism is cost effective, and value is driven by customer outcomes, not organisational processes
Integration	•The service delivery mechanism should be integrated. There should be no 'wrong door' policy for the customer
Choice	•Multiple channels for service delivery, so that customers can have 'channels of choice', depending on specific needs at specific times
Technology	•Technology should be used as an enabler to deliver time bound efficient/effective service delivery

1.1 Need for a Citizen Centric Approach

Citizens have been placed at the core of Good Governance. Meeting citizen's expectations through public service delivery involves a citizen-centric approach. The Second Administrative Reforms Commission in its 12th Report entitled 'Citizen Centric Administration The Heart of Governance' has focussed its attention on Citizen Centric Initiatives of Government of India and has recommended improvements for making them more effective. Its view of the concept of citizen centric administration includes (i) Consensus orientation (ii) Participatory government (iii) Rule of law (iv) Accountability, (v) Transparency, (vi) Responsiveness (vii) Equitable and inclusive, (viii) Effective and efficient. These characteristics of Citizen Centricity aim at providing an environment in which all citizens can develop their full potential. In addition it aims to provide public services effectively, efficiently, and equitably through a four pillar edifice comprising of (a) Ethos of service to the citizen (b) Ethics of honesty, integrity, and transparency (c) Equity in treating all citizens alike with empathy for the weaker sections (d) Efficiency, speed and effective service delivery without harassment, through an increasing use of ICT.

While the Tenth Five Year Plan invited the attention of Government towards the requirements of Citizen Centric Governance, the Eleventh Plan emphasized its distinct dimensions.

Thus, meeting citizen's expectations calls for a citizen-centric approach one that is built upon integration between public sector agencies and that leverages technology and, where relevant, private sector expertise to develop new public service delivery models. Many countries have undertaken public sector reforms to improve the quality of public service delivery. However, while the demand for better services is a common factor, the spectrum of expectation varies from country to country.

We have discussed some of the factors leading to the need for enhanced service delivery:

A. Increased Citizen Awareness

One of the impacts of globalization and the spread of ICT, has been to make citizens more aware of their rights. Further, a number of countries have empowered citizens with 'Right to Information' legislation leading to heightened awareness about customer rights and, consequently, customer service. They have better access to information on public services and have higher expectations from the public service providers. They are not concerned how the government provides the services whether through the public sector alone or through the public private partnership mode. 'Responsible use of tax payers' money by the government' and 'Value for Money' in public service delivery are new concepts that have struck roots in the new millennium.

B. Budgetary constraints

Reduced budgets for investing in public sector service delivery are the result of various factors, significant among which include - Growth of government consumption has been much higher (average 5.8% per year) than the growth of GDP (3.5% per annum). Higher budgetary allocations towards pensions, education and health in many countries are undoubtedly some of these factors. At the same time, it is becoming increasingly difficult for many governments to fund the public sector by increasing taxes partly because of resistance to this route, and partly because, in a globalised society, many of the people/businesses who pay the bulk of these taxes are more mobile than ever before.

Tightening budgets and the need for value for money with respect to tax payments by citizens/businesses are forcing governments to address the issue of public service delivery. In many countries, changes have been introduced, aimed at ensuring that the public sector performs under two key metrics: (a) quality of service accessibility for all and satisfactory customer experiences and outcomes, and (b) cost of service, leading to 'value for money'.

C. Greater demand for accountability and transparency

The heightened role of the traditional and electronic media and the emergence of social network media providing trans national connectivity, have contributed to create a greater demand for accountability and transparency. These are essential elements to reduce and eliminate corrupt practices and delays caused in Public Service Delivery.

The Second ARC in its First Report entitled 'Right to Information Master Key to Good Governance', has viewed the Right to Information Act, 2005, as 'a basic necessity'. India has one of the most comprehensive laws on this right, and its impact has begun to be felt in all sectors of governance. The ARC has emphasized on Building Institutions and Capacity, Awareness Generation and monitoring mechanisms.

D. Drive for competitiveness

Cost of doing Business in the country is an important consideration for the choosing overseas investment options. In this context public service efficiency is what drives competitiveness amongst nations. Attracting investment to fund economic growth is a priority for most countries. Increasingly, investment fund managers regard the efficiency of the public sector as one of the factors in evaluating the investment destination. Thus, global competition for 'investments' as a means for economic growth is also driving the agenda for reforms in public service delivery.

Promoting competition as part of the systemic reforms has been recommended by the Second ARC in its Fourth Report titled 'Ethics in Governance'. Reducing the monopoly of government in public service delivery through competition, use of technology, and simplification of transactions. This is possible through a single window system of service delivery, and reduction in discretionary powers vested with the bureaucracy and simplification of rules and procedures.

E. Public sector reform agenda

Many governments, especially those in the developing nations, face a common need to meet the United Nation's Millennium Development Goals. The achievement of Millennium Development Goals is closely related to the effective delivery of public services. This necessitates improved public sector performance.

Consequently, many of the funding programmes of multilateral and bilateral institutions are contingent upon these governments' willingness to modernize and improve their public sector service delivery capabilities.

F. Changing demographics

Governments in many countries, need to respond to the impact of changing demographic trends in particular the rise in ageing populations. This will, over a period of time, result in reduced working-age populations, placing greater pressure upon smaller numbers to produce the wealth needed to support living standards. It is also already adding significantly to the costs associated with caring and providing for old-age dependency groups. Higher life expectancy in existing mature economies is a reward for economic success but, equally, a threat to the future sustainability of that success.

Driven by these changing expectations, the public sector is increasingly required to redefine its role, strengthen its customer focus and build integrated service delivery models.

2. GOOD PRACTICES IN PUBLIC SERVICE DELIVERY

“Good governance is perhaps the single most important factor in eradicating poverty and promoting development”

– Kofi Annan

Improving delivery of public services means redressing the imbalances and maintaining continuity of service to all levels of society, focusing on meeting the needs of the citizens who are living below the poverty line and those who have been disadvantaged in terms of service delivery. It also calls for a complete change in the way services are delivered. In every country around the globe it is challenging to deliver an expanding set of services to a large number of citizens while their expectations are increasing with time and with a budget that often is inadequate. Addressing these expectations requires the governments to improve efficiency of public service delivery. Improved public service delivery can impact a country’s competitiveness, quality of life, and citizens’ trust in the government.

The following are a few good practices of Public Service Delivery:

- i. **Transparency:** In today’s era of individualization and rising citizen expectations, it is imperative for governments to put in place citizen-centric policies. At the same time, citizens are becoming more informed due to the Internet, which means that governments are being held to account for their actions. Transparency and accountability is an essential consideration for governments and public sector organizations wishing to rebuild trust and legitimacy in the eyes of the public at large. The commitment to transparency sends the signal that the government is serious about working for, and with, its constituents and stakeholders for the achievement of desired societal outcomes, and will be held accountable for the part it plays in the process. Concurrently, a focus on transparency reinforced by accountability can empower government to devolve powers and responsibility from central to local level, and from the public sector to the private and voluntary sectors as well. It serves not only to better engage all actors in society, but

is a natural form of ongoing monitoring and evaluation of performance and outcomes.

Transparency can also be enabled by the use of open data, which not only allows for accountability (e.g. salaries of public officers), better decision-making (more parties having access to the same information and facts allowing for robust dialogue and formulation of more accurate conclusions), but also empowers communities to act. Crime maps are a good example of this in practice, where citizens in the local community can hold local police authorities to account for crime rates in specific neighborhoods, as well as engage in “community policing”. Open data can even drive economic growth by creating opportunities for small businesses to come up with new applications and services to meet identified needs from publicly released data.

New York City (NYC) challenged software developers to create apps that use city data to make NYC better, and the developers rose to the challenge. Approximately 750 City datasets were opened to developers and technological entrepreneurs were incentivised to use this data in innovative ways. This was achieved via NYC's BigApps, an annual software competition challenging individuals and companies to develop online and mobile applications utilizing official NYC data.

The latest round of competition, NYC BigApps 3.0, offers \$50,000 in cash and other prizes to software developers for the best new applications that utilize NYC Open Data to help NYC residents, visitors, and businesses. The competition is judged by prominent venture capitalists, business angels, entrepreneurs and leaders in the technology community. Over 140 applications have been yielded to date, made for New Yorkers, ranging from joining pick-up soccer games to finding parking spots.

- ii. **Consulting users of services:** Departments providing services should regularly and systematically consult the end users of their services about the services they provide. Consultation provides the public with the opportunity of influencing

decisions about public services which affect their welfare. It can also foster a more participative and cooperative relationship between the providers and users of public services. Particular effort should be made to include the views of those who, due to geography, language barriers or any other reason, have found it hard to make to get service. The results of the consultation process may be made public, and can also be widely publicized within the departments so that all staff are aware of how their services are perceived.

Social Inclusion agenda is based on Australian Government's vision of a society in which all the citizens participate equally in the society. The Government's social inclusion policies recognise that while every person is ultimately responsible for making a go of their lives, not everyone begins at the same starting point and some people strike setbacks or crises during their lives. The social inclusion agenda aims to give every Australian the help they need to access the support and opportunities our society has to offer.

The Australian Public Service (APS) has developed a Social Inclusion Policy Design and Delivery Toolkit which guides public service policy officers to design, develop, coordinate and deliver programs and policies which better meet the needs of disadvantaged groups and places. The Australian Social Inclusion Board was established to contribute to the development of new and practical ways of helping Australia's most disadvantaged people. The Board advises the Government on a range of issues related to social inclusion, including the latest research.

- iii. **Managing funding and financial management:** Linked to effective service delivery is the need to have in place new funding mechanism and effective financial management. Smart funding is our shorthand for exploring innovative financing mechanisms and partnerships with private and Not For Profit stakeholders, while wisely allocating limited state resources to targeted areas resulting in maximum impact. The former includes, for example, the development of a social investment

market which blends financial return with positive social impact. While financing continues to be seen as a major issue, public bodies also continue to struggle with exploring, managing and using new forms of finance due to a lack of financial management capability in-house. Public sector organizations need to work harder to attract and develop a new generation of finance managers capable of stepping up to this new challenge.

Improved girls' education can have a direct effect on economic growth. It can significantly reduce under five and maternal mortality, improve literacy and numeracy, enable them to earn more money as adults and have healthier families. Their children are also more likely to go to school themselves. As such, the UK's Department for International Development (DFID) has established the Girls' Education Challenge (GEC) fund. GEC supports non-governmental organisations (NGOs), charities and private sector organisations to find better ways to provide education opportunities to marginalised girls in the poorest countries in Africa and Asia.

Through a competitive process, the GEC funds projects that focus on innovative and cost-effective ways of getting marginalised girls into primary and lower secondary education, keeping them there, and making sure they learn. Applicant organisations have to demonstrate measurable improvements in the quality of education as well as increased numbers of girls going through school. It is expected that the GEC will provide education opportunities to up one million girls in total in Africa and Asia

- iv. **Setting Service Standards:** Departments should publish standards for the level and quality of services they provide. Service standards must be relevant and meaningful to the individual user. This means that they must cover the aspects of service which matter most to users, as revealed by the consultation process, and set in terms which are relevant and easily understood. Standards must also be precise and measurable, so that users can judge for themselves whether or not they are receiving what was promised, eg by stipulating the length taken to authorize claims, issue identity documents,

answer letters, the number of citizens who in future will have access to the services provided, what services will in future be provided, etc.

In India, the Citizens Charter Bill has been introduced in Lok Sabh on 20th December 2011 under the title 'The Right of Citizen for Time Bound Delivery of Goods and Services and Redressal of their Grievances Bill, 2011.

The objective of the Bill is to adopt a rights based approach to making the Citizens Charter statutory, and endowing the public with the right to get delivery of services within stipulated timelines. This is proposed to be done by providing an overarching structure that lays down an obligation upon every public authority to publish citizens charter stating therein the time within which specified goods shall be supplied and services be rendered and provide for a grievance redressal mechanism for non-compliance of citizens charter.

- v. **Providing more and better information:** Departments must ensure that citizens have access to full, accurate and up-to-date information about the services which are available to them, and what their entitlements are. This must be done actively where the information is available and the citizen/ customer is able to work out how to obtain it. The documents must be in a simple language that is easily understood. Information must be provided in forms which meet the varying needs of different users. This is essential to ensure that those who are disadvantaged by physical disability, language barriers, and geographical distance or in any other way are also included.

Department of Internal Affairs of New Zealand has prioritized participation in public services. It commands that Government agencies must take action both at the planning level and in their day-to-day activities to involve communities in policy-making and service delivery.

It has a dedicated portal with guidelines, best practices and case studies on public sector participation. The portal also features recommendations on encouraging participation such as conducting roadshows and citizens juries, and also online participation, such as establishing forums and releasing feedback and submission forms.

- vi. **Increasing responsiveness:** Responsiveness is a core value of the transformed public service. Its application in practice will have a profound effect on the way departments operate. The key to implementing the responsiveness lies in being able to identify quickly and accurately when services are falling below the promised standard and having procedures in place to remedy the situation. This needs to be done at the individual level in transactions with citizens/customers, and at the organizational level, in relation to the entire servicedelivery programme.

Quality Management System, *Sevottam*, is a generic framework created by the Department of Administrative Reforms and Public Grievances, Government of India, in 2005, after study of the best international practices such as the Charter Mark of United Kingdom and the Malcolm model of United States of America. It is a framework for bringing continual improvements in service delivery by government organizations till excellence is achieved.

The framework has a total of 3 modules with 3 criteria and 11 elements in each. The first module is the Citizen's Charter that specifies the standards for service delivery, the second is the Grievance Redress Mechanism to get redress if service is not provided as per standards, and the third is the Capability Building for building the capability and capacity of the organization to deliver its services as per standards included in its Charter. With 3 criteria and 11 elements in each Module, the *Sevottam* has a total of 9 criteria and 33 elements, that comprehensively cover all aspects of service delivery to monitor gaps as well.

- vii. Getting better value for money:** Improving public service delivery can only be achieved within the resources that the nation and specifically, the departments have. The service delivery programme must go forward in the context of a transformation programme that is also aimed at reducing public expenditure and creating a leaner public service. It is therefore essential to make better use of the available resources.
- viii. Encouraging innovation, rewarding excellence:** Performance appraisal government staff should include an assessment of the performance of individual staff in contributing to improving service to the public. This will be particularly important in the case of staff who serve the public directly, where a key indicator will be how they rate in their dealings with the public.
- ix. Partnership with the wider community:** Improving public service delivery matters not only to the individual users of services, but also to the whole community. Improved delivery of service in departments as well as in components within these organizations such as hospitals, tax offices, etc., is essential for the future economic prosperity and social development of the country. Departments should involve representatives of the wider community in discussions about the future development of public services. Departments should also forge partnerships with business, NGOs and other stakeholders to encourage them to participate in service improvement initiatives.

South Korea is the top performer from Asia on the Open Budget Index, according to the Open Budget Survey 2010 conducted by the International Budget Partnership. It ranks second, only next to New Zealand, in the Asia Pacific region, and ninth out of the 94 countries that are covered by the OBI 2010.

Korea's OBI score indicates that the government provides the public with significant information on the central government's budget and financial activities during

the course of the budget year. Although Korea's budget is not yet fully transparent, the amount of information published is generally sufficient for citizens to assess how their government is managing public funds.

The OBI measures the availability and adequacy of eight key budget documents. The Korean government publishes comprehensive Pre-Budget Statement, Enacted Budget, Citizens Budget, Year-End Report, and Audit Report. The Open Budget Survey also assesses the effectiveness of oversight bodies in their budgetary role. According to the Open Budget Survey 2010, budget oversight provided by Korea's legislature and supreme audit institution is generally strong.

3. BEST EXAMPLES OF PUBLIC SERVICE DELIVERY IN INDIA

3.1 Aadhaar Based Public Service Delivery

Unique Identification (UID) Project was conceived to provide identification to each resident across the country that shall be used as a basis for efficient delivery of welfare and development schemes.

UIDAI has already issued more than 31 Crore Aadhaar numbers. Apart from fulfilling the mandate to issue Aadhaar numbers to the residents of the country, UIDAI is also providing Aadhaar Authentication services to foster Aadhaar enabled service delivery which shall help in unique identification of residents for efficient and transparent Government service delivery.

The key rationale for Aadhaar is to provide an identity infrastructure for delivery of various social welfare programs and for effective targeting of these services. While welfare is the prime focus of Aadhaar, it can also be utilized by other enterprises and service providers such as banks, telecoms and others for improving their service delivery.

3.1.1 Key Enabler of Aadhaar Based Service Delivery

Today, both public and private service agencies across the country typically require proof of identity before providing services to individuals, be it opening a bank account, getting mobile connection, getting a ration card, receiving pension. With recent advancement in technology, it is now possible to create an online unique identity for an individual in a large population using biometric attributes (fingerprint and iris) which can be authenticated online.

Aadhaar has been considered a valid Proof of Identification (PoI) and Proof of Address (PoA) to extend basic social welfare programs as well as give them access to banking and telecom services. Aadhaar has been declared as a valid PoI and PoA by various State Governments, Central Government Ministries/Departments and is being used for the same for schemes.

UIDAI has also been conducting pilot projects and other field studies to explore the efficacy and efficiency of Aadhaar authentication in the context of Financial Inclusion, Public Distribution System, LPG delivery and Pensions. These four pilot projects have shown tremendous benefits by providing effective service delivery to the targeted beneficiaries.

1	The Financial Inclusion pilot project in Jharkhand enabled direct cash transfer by the Jharkhand Government to the beneficiaries' Aadhaar-linked bank accounts under various programs like MNREGS, Old Age Pensions and Student Scholarships, to avoid leakages
2	The pilot project initiated by Consumer Affairs, Food and Civil Supplies Department of Andhra Pradesh utilized Aadhaar Authentication platform to deliver services to more than 85,000 households with around 3 lakh target beneficiaries through more than 145 fair price shops (FPS) in the Districts of East Godavari and Hyderabad.
3	The LPG pilot in Mysore, Karnataka was initiated by the three Oil Marketing Companies - IOCL, and BPCI, and HPCL, in January 2012. The objective of this pilot was to use Aadhaar biometric authentication to minimize diversion of subsidized LPG cylinders. Subsidized LPG cylinders were delivered by delivery boys after successful biometric authentication by any family member present in the household. Around 30000 deliveries have been made so far.
4	Pension pilot in Aurangabad District in Maharashtra was initiated with the objective of directly transferring monetary benefit into the bank account of pensioners using the Aadhaar Payments Bridge. Aadhaar number was linked to the list of beneficiaries to eliminate fake beneficiaries. Aadhaar Enabled Payment System was used by Banking Correspondents to disburse funds through micro-ATMs.

3.1.2 Challenges and Benefits of Aadhaar based Public Service Delivery



Aadhaar is beneficial to all the stakeholders in the ecosystem. Government is benefitted by improving its reach and targeting, citizens receive better quality of service and Industry is benefitted by reduced cost of customer acquisition.

3.1.3 Future Usage of Aadhaar Based Service Delivery

Aadhaar has a potential to transform targeted service delivery, improving operational efficiency of administration in targeting benefits and subsidies, thereby reducing leakages and bringing transparency into the system through various avenues like:-

- Judicial System: UID can be integrated with data of criminals for tracking their past track record and criminal history.
- Hospitals: A centralised record of patients across hospitals may be maintained wherein all the past medical history can be stored. This will help in better understanding and analysis of patient records.
- Employment and education data: Records of citizens can be linked with UID. This may help in background verification when they join or change job.
- Election Commission: Aadhaar may be used as one of the mean to facilitate online voting. The residents can enter their UID and get themselves authenticated through demographic/biometric/ Iris data and once their identity is ascertained they can cast their vote.

3.2 Passport Issuance Service Delivery

CPV Division of the Ministry of External Affairs is responsible for issuance of Passports to Indian Citizens. Passports are issued from 30 locations across the country and 160 Indian missions abroad. Citizens can apply at the passport office, having jurisdiction over the present residential area of the applicant. In order to make existing processes more transparent, streamlined and accessible to general public, CPV has implemented following passport related services:

- Issuance of fresh passports as per a benchmark to be set with reference to the best practices
- Issuance of fresh passports under Tatkaal scheme within 5 days
- Re-issuance of passports / duplicate passports in lieu of lost passports within 5 days

- Rendering of miscellaneous services (change of name and address) on the date of application itself
- Render above services through a simplified procedure and in conditions of comfort for the passport seeking public.
- Provide a portfolio of ONLINE services to the citizens

In order to achieve above objective CPV has undertaken detailed assessment of existing processes and revised processes through in department GPR activities. The project is implemented under the public-private partnership model and 77 Passport Seva Kendra (PSKs) are functional.

3.2.1 Key Enabler of Service Delivery

- Creation of Front offices, Passport Seva Kendras (PSKs) for improving service delivery
- Implementation of multiple channels for information and status to passport applicants
- Centralized real time repository of passport holders, accessible to all passport offices, posts, immigration and other government departments
- Better geographical reach within India across all 37 passport offices, spanning 23 states and 63 cities
- Setting-up of a back-end processing centre, Central Passport Printing Facility (CPPF)
- Improved standardized and automated processes for service delivery
- Multilingual Call Centre set up to facilitate citizens to obtain information related to passport services and status update on their passport application. Moreover, email based helpdesk has also been set up to receive queries on passport services.

Challenges and Benefits: The attempt of Ministry to improve governance in Passport Offices is well applauded with a focus on citizen-centricity, service orientation and transparency. The intended benefits and challenges include:



3.3 Making Medicines Affordable, Chittorgarh, Government of Rajasthan

To improve the healthcare system in Chittorgarh, the district administration conceptualised a simple yet effective initiative to introduce low cost drugs to the people. The programme builds upon available resources to make the system work in favour of the citizens.

The following three steps summarise the process of implementation:

- a. asking doctors to prescribe generic drugs
- b. procuring good quality drugs for government co-operatives, and
- c. spreading awareness among patients and their families.

The result of these efforts has been the establishment of district wide low cost shops to make medicines more affordable.

Overall, the initiative has been successful in improving access to medicines and is being replicated and a generic medicine store has been opened in Shastri Bhawan, in New Delhi. The demand for generic medicines has increased over time, since implementation of the programme.

Patients are more aware of the low-cost medicines that are available in the market, which has also encouraged private pharmacists to stock generic medicines. Government doctors are required to follow new orders of prescribing non-branded medicine and are closely monitored by the government.

The positive response to the programme has encouraged the state government to introduce similar initiatives across the state. This Citizen Centric initiative was conferred Prime Minister's Award for Excellence in Public Administration, in the year 2008-09.

The initiative was conferred Prime Minister's Award for Excellence in Public Administration in the year 2008-09.

3.4 Mission Convergence Programme of the Government of Delhi - Stree Shakti and others

The mission convergence program of Government of NCT of Delhi (GNCTD) has successfully handled the challenge of governance of one of the fastest growing metropolitan cities with 14 million people residing in slums, unauthorized colonies and about a hundred thousand people who are homeless. A strong policy to simplify governance through a uniform and participatory model involving government and civil society was needed but absent. Two noteworthy institutional reforms initiatives of National Capital Territory of Delhi (GNCTD) which guided the formation of a convergence model of governance and service delivery are the adoption of '*Bhagidari*' (partnership) model for ensuring Government Citizen partnership in governance and the formulation of the project '*Stree Shakti*' - Empowerment of Women through government facilitated Gender Resource Centres (GRCs) run by Non Governmental Organizations. While engaging with multi-stakeholder collaboration and implementing stand alone pro-poor projects, the GNCTD felt that it is important not only to have collaboration among various government departments and non-government organizations, but also to have a system for various schemes and services of the government to get converged so as to avoid duplicity, minimize administrative costs and smoothen the outreach process. This led to the formation of the Mission Convergence programme under the *Samajik Suvidha Sangam*, which is an autonomous body of Government of NCT of Delhi.

The Mission Convergence is an innovative approach of the GNCTD which aims at restructuring its Governance architecture by providing convergence platforms for facilitating delivery of multiple/cross sectoral developmental

schemes of the government. The Mission moves with a horizontal vision which cuts across areas of activity. The focus has been on women so that through women the whole family could be reached out more effectively. In order to overcome the limitations of using income criteria for measuring household poverty, Mission Convergence has relied upon the vulnerability criteria that suits most to the urban and migrant context of Delhi. This approach led to the emergence of a vulnerability data base that has given a surer thrust to interventions. The Mission Convergence initiative has moved away from the traditional bureaucratic forms of governance by addressing administrative bottlenecks and creating an independent entity called the Samajik Suvidha Sangam which functions as a society. The mission has effectively used IT tools and infrastructure for streamlining information related with eligibility and access across different schemes meant to serve the same target group. Mission Convergence's monitoring and evaluation system is strengthened by involvement of Mother NGOs in monitoring the activities of GRC-SKs and 3rd party audits and evaluations from time to time. The process is supported by checks at local levels of the government.

The model has been evaluated by external agencies and acknowledged as the best practice by under the Commonwealth Association for Public Administration & Management (CAPAM) International Innovations Awards Programme, 2010 and also received UN Public Service Awards.

3.5 e-Checkpost, Government of Karnataka

Transparent, Objective & Paperless System, Commercial Tax Department, Government of Karnataka and NIC. Checkposts perform an important function of monitoring various kinds of movements which occur through them. The checkposts administered by the tax departments monitor the goods vehicles which pass through them so as to ensure that the transactions suffer the tax due on them. The functions of checkposts differ from state to state.

In Karnataka these checkposts which are established at major entry points verify the sales invoices or other prescribed documents and ensure that the consignment actually match with what has been mentioned in the documents.

With growing economy and increasing trade the number of goods vehicles reporting at checkposts has shown a phenomenal increase as a result the traditional checkposts have not been able to cope up with this burden.

As a result checkpoints are associated with long hold ups of vehicles, harassment, inefficient working and despite all these have failed to ensure compliance with tax laws.

This project has successfully attempted to transform these checkpoints into places where there is no hold up of vehicles and on the other hand making them an important source of gathering information about the trade. Also the subjectivity at the checkpoint has been totally eliminated and the checkpoints have been made totally paperless. All this was made possible through the use of Information Technology and a total overhaul of the old processes.

The initiative was conferred National e-Governance Gold Award in 2012 under the category, 'Excellence in Government Process Re-engineering'. The initiative has already been replicated by Government of Bihar and its replication is ongoing in other States.

3.6 e-Gram: Government of Gujarat -A case study

Mission e-Gram Viswagram provides for electronic issues of certificates which include certificates of birth, death, income, caste, domicile, property, residence proof, agriculture, tax collection, marriage, family information and land ownership.

3.6.1 Key Enablers of Service Delivery

A digitalized databank is in operation for issuance of the above mentioned certificates at the village level, which is the lowest administrative unit of Indian Governance. In the phase wise manner of the e-Gram Mission all 13693 village panchayats are in a position to provide basic and very important services to their citizens in Gujarati vernacular language with the availability of VSAT connectivity. To leverage IT resources at the village level, e-Grams are being operated through Village Computer Entrepreneur (VCE) on a revenue sharing basis under Public Private Partnership model. This innovative mechanism is ensuring prompt services to the citizens; providing opportunity of an additional income to the village panchayats and generating self-employment opportunities for the rural youth. VCE also provide commercial services through computer, internet and telephones. In a nutshell the e-Gram along with internet connectivity operated through a VCE - the e- governance business model of Gujarat has started functioning as a Village Knowledge Centre or Common Service Centre as conceived by the Government of India.

Within a time span of three years, this initiative has covered 13693 Gram Panchayats (GP) equipped with personal computers to provide basic e-services and in January 2008 Asia's Biggest VSAT Connectivity Project for public was rolled out which covered all 13693 Gram Panchayat with Broadband internet connectivity.

3.6.2 Challenges Faced

A lot of lessons have been learnt from e-Gram initiative while implementing it in a mission mode. Involvement of line ministries and determining incentive mechanism for the village level revenue officials, connectivity issue, transition/ switching from a manual and free system to a transparent and paid service, identifying kiosk operators and setting up public private partnerships were the key challenges faced.

E-Gram mission is to reach a level where all the rural villagers specially Below Poverty Line (BPL) families are issued land records, notices, receipts, collection centers for utilities like electricity, telephones, etc. And finally to emerge as IT hub for all administrative and commercial services at the village level with provision of State of Art State Data Center being established at Gandhinagar to provide safe & secured e-services.

3.6.3 Benefits to Citizens

It saves cost and time in availing services. Prior to implementation of e-Gram rural citizens had to come to taluka and district headquarters to get services of daily uses which finally consumes their money as well as time and even after service delivery they will get unpredictable. Moreover Gujarat has a large geographical spread and many places are far from Taluka or District Head Quarter .

3.6.4 Benefits to Government

It saves direct cost and time savings to deliver services. Prior to this project, in manual system rural citizen was coming to taluka and district headquarter to get services so government had to put additional staff and effectiveness of work was suffering in manual system. After e-Services availability at Gram Panchayat level through e-Gram Project this work is now effectively happening at Gram Panchayat level itself. Government Servants are able to do more productive work post the project implementation.

3.6.5 Key outcomes of the Project

This initiative targets to promote and sustain the village Panchayats, the basic unit of governance of rural India as the delivery point/ conduit of e-Services for various government departments. This initiative aims at bridging the digital divide between the urban and the rural Gujarat by ensuring citizen's right's to information and translating it to a reality through access to digital information. This in turn is empowering rural community through access to global communication and information. Now there is no waiting period in issuance of various certificates, documents and application forms and these are available at nominal fees at their doorstep. This is also effective in the quick redresses of grievances that used to take a long time before this intervention. In the future this initiative is set to provide commercial services to the rural community.

3.7 Tele Ophthalmology Centre: Government of Tripura A Case Study

Tripura has an acute shortage of modern ophthalmologic infrastructure and specialists. There is only one public sector hospital, the Indira Gandhi Medical (IGM) Hospital, in the capital of the state that serves the need for all secondary and tertiary care support. Seventy-five percent of the population that reside in the rural areas have to spend considerably on transportation and accommodation to avail the service. Apart from the IGM hospital there are only three secondary care centres and three primary care centres in the state.



At present, a total of 17 ophthalmologists and 26 ophthalmic technicians are catering to the needs of 37 lakhs residents. By 2014, the numbers are estimated to reduce further as out of the 17 ophthalmologists, 10 will retire from service, implying that only 8 or 9 ophthalmologists will be providing eye care to a projected population of 40 lakhs. This trend is bound to increase pressure on ophthalmologic infrastructure and expertise at the state healthcare mission. Moreover, geographical location of Tripura presents an inherent challenge of easily accessing services and expertise from mainland India as it is physically distant because of Bangladesh.

3.7.1 Key enablers of Service Delivery

The government of Tripura has initiated measures to address these concerns by increasing the number of ophthalmologists to a minimum of one per 50,000 citizens. However, it will require a considerable amount of time to achieve this target. Therefore, to offer a pragmatic solution, the state government decided to adopt information and communication technology (ICT) to extend the benefits of the advanced medical sciences to the entire population, including the remote and inaccessible parts of the state, through Tripura Vision Centre programme. The Tele-ophthalmology project implemented by the Ophthalmology Department, Department of Health and Family Welfare, Government of Tripura aims to combine advances in medical sciences and ICT to offer primary and preventive eye care services to the rural citizens of Tripura.

The Vision Centres (VC) are established adjacent to Community Information Centres (CIC) in order to leverage the existing Tripura State Wide Area Network (TSWAN) infrastructure at the CICs. These VCs are connected to the IGM hospital located in state capital Agartala. Ophthalmological assistants are in charge of registering and screening the patient, and are also responsible for entering the patient's history in the database. Prior to the establishment of vision centres the patients had to travel to the capital of the state Agartala for ophthalmic care. 75 percent of the population of the state who reside in rural areas had to spend a lot of money on travelling and accommodation. With the establishment of four vision centres in semi urban locations and 36 in rural areas of the state ophthalmic care became decentralised.

In the initial stage of the project it was observed that percentage of women being screened in the government hospital was considerably low. With establishment of vision centres, eye care service was taken to the door step of the rural people leading to an increase in the number of women being screened in the centres. Prior to the implementation of the project 34 percent women and 66 percent men were screened in the government hospital. Now, with the improvement in accessibility, more women are encouraged to come out of homes for diagnosis and treatment, resulting in 10 percent increase in women's participation

3.7.2 Challenges Faced

The project had initially faced challenges such as lack of suitable site for vision centre layout, lack of modern infrastructure, unstable power supply

and unavailability of ideal space for tower. However with diligent planning, efficient management and continuous dialogue among all the stakeholders the challenges were mitigated.

3.7.3 Key learning/Future roadmap/Recommendations

- **Leveraging ICT to offer advanced medical care:** Tele-medicine as a promising branch of advanced medical care was not much popular in Tripura prior to the conception of the Tripura Vision Centres (VCs). The project is an innovative attempt to deliver eye care services using sophisticated yet easily replicable technology to even the most marginalised people belonging to the remotest part of the state. Articulate distribution of VCs around the state and its uninterrupted connectivity with the base hospital are enabling patients to obtain eye care service on a daily basis from 9 am to 4 pm. Appropriate utilisation of technology is mitigating the acute shortage of man power and infrastructure in the state.
- **Convergence with CICs:** The CIC project of the government of India was implemented with the aim of bringing the multifarious benefits of ICT to the grassroots in the relatively remote and less developed regions of India. Apart from providing basic services such as IT education, training, internet access and e-mail, CICs established under National e-Governance Plan also provide citizen-centric services. The government of Tripura in an innovative approach decided to establish all the VCs adjacent to all the CICs.
- **Decentralisation of eye care:** Prior to the establishment of vision centres the patients had to travel to the capital of the state Agartala for ophthalmic care. 75 percent of the population of the state who reside in rural areas had to spend a lot of money on travelling and accommodation. With the establishment of four vision centres in semi urban locations and 36 in rural areas of the state ophthalmic care became decentralised.

The task of humanising and localising information communication technology as well as medical advancements to serve at the grassroots was one of the major challenges of the Tripura government. The success in dealing with this particular challenge makes the tele-ophthalmology project of Tripura Vision Centre a unique one.

4. LEGAL FRAMEWORK FOR PUBLIC SERVICE DELIVERY

In India, governments have made various efforts to establish a well defined legal and regulatory framework for public service delivery. 13 State Governments have passed right to services legislations, in the last few years, to provide effective, efficient, time bound, guaranteed services to the citizens. The current chapter presents a summary of these efforts.

4.1 The Right of Citizens for Time Bound Delivery of Goods And Services and Redressal of Their Grievances Bill, 2011

The Right of Citizens for Time Bound Delivery of Goods and Services and Redressal of their Grievance Bill, 2011, was introduced in the Lok Sabha on December 20, 2011 by Shri V. Narayanasamy, Minister of State for Personnel, Public Grievances & Pensions and Minister of State in the Prime Minister's Office. The Bill seeks to confer on every citizen the right to time bound delivery of specified goods and services and provide a mechanism for grievance redressal. It aims to create an overarching mechanism to ensure timely delivery of goods and services to citizens across the country. The salient features of the Bill are as follows:

- (i) Every citizen shall have the right to time bound delivery of goods and provision for services given in the Citizens Charter, including redressal of grievances. Citizens Charter shall be notified by every public authority.
- (ii) Citizens Charter shall include all the goods and services provided by a public authority including timelines, names and address of designated officers responsible for the delivery as well as details of designated Grievance Redress Officer.
- (iii) In case of non-redressal or failure of any kind in service delivery, citizens can lodge a complaint to Grievance Redress Officer for redress their grievances.

- (iv) In order to facilitate grievance redressal, a uniform 3-tier system has been proposed, in a decentralized manner for States and the Centre.
- (v) The second level/first Appellate level will be the Designated Authority for the public authority.
- (vi) The third level/second level Appellate level will be State/Central Public Grievance Redressal Commission for their respective jurisdiction.
- (vii) There would be separate and independent Public Grievances Redressal Commissions in each State, comprising of such members as prescribed, to be selected by a Committee headed by the Chief Minister concerned and Leader of Opposition and others, as members, and appointed by the Governor. For redress of grievances relating to the goods and services delivered by States organizations, the State Public Grievance Redressal Commission concerned shall be the final authority.
- (viii) The Central Public Grievances Redressal Commission, will be exclusively for Central Government organizations only, and will comprise of members as prescribed, selected by a Committee to be headed by the Prime Minister of India, with Leader of Opposition and others, as members, and appointed by the President of India. For redress of grievances relating to the goods and services delivered by Central Government organizations, the Central Public Grievance Redressal Commission concerned shall be the final authority.
- (ix) There is no overlapping of any power or authority between the State Public Grievances Redressal Commission and the Central Public Grievances Redressal Commission, and both would have exclusive jurisdiction in their respective domain.
- (x) Penalty can be imposed on an erring official by an Appellate Authority up to a maximum of ₹ 50,000/-
- (xi) Compensation can be awarded to the complainant out of the penalty imposed.
- (xii) Penalty will be recovered from the salary of the erring official.

4.2 State Specific Acts/Laws in regards Service Delivery

4.2.1 Madhya Pradesh - Lok Sewaon Ke Pradan Ki Guarantee Adhiniyam, 2010 (enacted on 18.08.2010)

Madhya Pradesh has enacted this Act to provide for delivery of services to people of the State within the stipulated time period.

In case the designated officer has failed to provide services without sufficient and reasonable cause, the second appellate may impose a lumpsum penalty which shall not be less than ` 500 and not more than ` 5,000. In cases of delay, penalty may be imposed at the rate of ` 250 per day of delay, not exceeding ` 5,000.

4.2.2 Uttar Pradesh - Janhit Guarantee Adhiniyam, 2011 (from 03.03.2011)

The State of Uttar Pradesh passed the Janhit Guarantee Adhiniyam in 2011, was first introduced as on Ordinance on 14.01.2011. The Act provides for the delivery of services to the people of the State within stipulated time limit. The second Appellate authority may impose lump sum penalty of not less than ` 500 and not more than ` 5,000 for non-delivery of services without sufficient and reasonable cause. Delay may be penalised with ` 250 per day not exceeding ` 5,000. Compensation to the appellant can also be ordered out of the penalty amount imposed.

4.2.3 Jammu & Kashmir - Public Services Guarantee Act, 2011 (enacted on 09.04.2011)

This is an Act to provide for the delivery of services to the people of the State within the specified time limit. A fine may be imposed by the second appellate authority if it is of the opinion that the designated officer has not complied with the orders or directions without reasonable cause. The amount of fine shall not be less than ` 500 and may extend up to ` 5,000. In cases of delay in providing service a fine at the rate of ` 250 per day of delay, may be imposed. In cases of deficiency of service a fine of ` 2000 can be imposed.

On imposition of the fine as above, the second appellate authority may order that such portion of the fine, shall be awarded to the appellant as compensation as it may deem fit provided the amount of such compensation shall not exceed the amount of the fine imposed.

4.2.4 Delhi (Right of Citizen to Time Bound Delivery of Services) Act, 2011 (enacted on 07.04.2011)

This is an Act to provide for delivery of services to the citizen in the National Territory of Delhi, with in the stipulated time limits, including liabilities of the Government in case of default.

Every government servant who fails to deliver citizen related services, as specified in the Schedule shall be liable to pay at the rate of ₹ 10 per day of delay for the period of delay subject to a maximum of ₹ 200 per application, which shall be payable by him to citizens as compensatory cost. In case the citizen demands the compensatory cost it shall be the duty of the competent officer to pay such a cost to the citizen against acknowledgement and receipt as per format prescribed.

The Act also provides for Cash Incentive, not exceeding ₹ 5000, for officers for enhancing efficiency.

4.2.5 Bihar - Right to Public Services Act, 2011 (enacted on 02.05.2011)

The Bihar Right to Public Services Act aims to provide for the delivery of notified public services to people of the State, within the stipulated time period. A penalty can be imposed as notified from time to time.

Any person, whose application is rejected or who is not provided the service within the stipulated time limit, may file an appeal to the Appellate Authority within thirty days from the date of rejection of application or the expiry of the stipulated time limit.

The lump-sum penalty amount is to be not less than ₹ 500 and not more than ₹ 5,000. Delay also is to be penalised with ₹ 250 per day of delay with the proviso that the total penalty in any one case shall not exceed ₹ 5,000. The penalty that is imposed under the Act shall be recovered from the salary, honorarium, remuneration of the concerned designated public servant or Appellate Authority. The penalty can be imposed in case the appellate authority of the opinion that the designated public servant (a) has failed to provide the service without sufficient and reasonable cause and (b) has caused delay in providing the service.

**4.2.6 Himachal Pradesh - Lok Sewa Guarantee Adhiniyam, 2011
(enacted on 21.09.2011)**

This is an act to provide for the delivery of services to people of Himachal Pradesh within the stipulated time period.

The second appellate authority may impose a lump sum penalty which shall not be less than ` 1000, but not more than ` 5000, in case the designated officer has failed to provide the services or has caused delay in providing service without sufficient or reasonable cause.

**4.2.7 Rajasthan - Guaranteed Delivery of Public Services Act, 2011
(enacted on 14.11.2011)**

The Act aims to provide delivery of public services to the people within the stipulated time limit. It covers every state government body. A lumpsum penalty which shall not be less than ` 500 and not more than ` 5,000, shall be recoverable from the salary of the designated officer, in case the second appellate authority is of the opinion that the designated officer has failed to provide the services without sufficient and reasonable cause.

4.2.8 Uttarakhand - Right to Service Act, 2011 (enacted on 04.10.2011)

It is an Act which was passed on 4th October 2011 to provide the delivery of public services to the people of the state of Uttarakhand within the given time limits. It imposes a penalty of ` 500 ` 5,000 on the designated officer for non-delivery of services. Delay may be penalised with ` 250 per day not exceeding ` 5,000. Under the act, the state may also establish a Commission 'Uttarakhand Right to Service Commission'. It shall be the duty of the commission to ensure proper implementation of this act and to make suggestions to the state government for better delivery of services. The commission will have a Chief Commissioner and 2 Commissioners.

**4.2.9 Punjab - Right to Service Act, 2011 (Notified as an Ordinance
on 14.07.2011)**

It is an Act to provide for the delivery of services to the people of Punjab within the given time limits. It provides for imposition of a penalty of not less than ` 500 and not more than ` 5,000, on the designated

officer and/ or any other official involved in the process of providing service has failed to provide service without sufficient and reasonable cause. In cases of undue delay in providing of the service the second appellate authority may impose a penalty at the rate of ` 250 per day of delay, which shall not be more than ` 5,000. Under the Act, the State may constitute a Commission. It shall be the duty of the Commission to ensure proper implementation of this Act and to make suggestions to the State Government for better delivery of services.

4.2.10 Jharkhand - Rajya Sewa Dene ki Guarantee Adhiniyam, 2011 (enacted on 11.10.2011)

The Act provides for the delivery of public services to the persons of the State within stipulated time limit. In cases where the designated officer has failed to provide service without sufficient and reasonable cause, a lump sum penalty not less than ` 500 and not more than ` 5,000 can be imposed. In cases of delay penalty of ` 250 per day of delay not exceeding ` 5,000 can be imposed. Penalty for delay in deciding an appeal within the stipulated time limit can also be imposed upon the First Appellate Officer for the same amount as state for designated officers.

4.2.11 Chhattisgarh Lkseva Guarantee Adhiniyam, 2011 (12.10.2011)

Under the Act, every person shall have the right to obtain Public Service in Chhattisgarh, with in the stipulated time. Every department shall designate a person or persons responsible for delivering public service and the fact of such designation shall be displayed in some conspicuous part of the department for the information of general public. Every applicant shall be entitled to obtain the status of his application. Delay may be penalised with ` 100 per day not exceeding ` 1,000. Information on expenditure incurred / infrastructure created in the State is given in Annexure to this Background Paper.

4.2.12 Kerala State Right to Service Act, 2012 (enacted on 04.08.2012)

This is an Act to provide for delivery of services to the general public within the stipulated time limit.

The Act empowers the second appellate authority to penalize the designation officer who has failed to provide the service without sufficient and reasonable , to impose a fine of not less than ` 500 and not more than ` 5,000. In cases of delay a fine at the rate of ` 250 for each day's delay the sum, which shall not exceed ` 5,000.

**4.2.13 Karnataka Guarantee of Service to Citizens Act, 2011
(SAKALA) 02.01.2012)**

It is an Act to provide for the delivery of 151 services of 11 departments to the people within the specified time limits. Compensation for delay may be claimed @ ` 20 per day of delay not exceeding ` 500. The Act is also known as “Sakala” meaning on time. The focus of the Act is on improving the service delivery and not on penalty.

5. ISSUES AND CHALLENGES FACED IN PUBLIC SERVICE DELIVERY

The core challenge of Public Service Delivery lies in giving effect to the shift of Government's role from "rowing to steering". In the first five decades of Independent India, the government had become involved in the entire range of public activities from 'making of bread to aircrafts'. With the emergence of the Good Governance concept in the 1990s, the government has become more of a facilitator than a provider. Changing the existing institutions to enable the Government to fulfil its new role of 'steering' in place of 'rowing', and the creation of new ICT based institutions that meet the ever growing expectations of the people, constitutes the fundamental challenge in public service delivery today. This chapter presents various issues being faced in delivery of public services to the citizens in India.

5.1 Reforming the bureaucracy to orient it towards Citizen Centricity

The biggest challenge in reforming public service delivery in India is re-orienting the mindset of the Indian bureaucracy. The Central Government employs 3.3 million, plus 5.3 million in PSU and Railways. 6.3 million are employed by all the State governments and 2.3 by local bodies such as municipalities. The bureaucracy is not yet focusing on delivering public service. From 1964 to 1989 the Government was trying to control through the licenses structure. From 1991 onwards liberalization has been adopted,¹ and the centre of gravity in Government policies has been shifted towards Citizen Centric Initiatives. The Second Administrative Reforms Commission has studied the various dimensions of this challenge and given its recommendations in its Fourth Report entitled 'Ethics in Governance'; Tenth Report entitled 'Refurbishing of Personnel Administration Scaling New Heights' and its Twelfth Report entitled 'Citizen Centric Administration The Heart of Governance'.

5.2 Lack of Basic Infrastructure at ground level

Lack of basic infrastructure is a prime concern and major impediment being faced by various Public Sector Enterprises and Departments offering public sector services is the next challenge. Expanding and improving the service delivery without basic infrastructure is not possible. The needs of electric power, road and rail connectivity, locating and servicing of offices in rural and / or remote areas, providing access to minimum requirements of

¹ NDTV debate on 15th August 2006 8 pm.

transportation, recruitment and training of service providers are only a few basic needs involved in the process. The heavy burden on the Indian Railways for freight and passenger transportation has its own list of challenges, while the Airports, Seaports, Airlines and Shipping Sectors have their own crying needs for modernization and expansion.

The directions in which the railways and the highways are planned, is the direction in where other factors of development follow. Indian Railways continues to plan its future in isolation, as the Railway Budget continues to be separate from the main Annual Finance Bill of Central Government. It also keeps waiting for the big ticket investment plans and proposals, that take an infinity to materialize. If only, all developmental planning of railways, roads, land development, power generation could be coordinated through a big picture of a 20-25 year period, with actual implementation projected annually, in specified districts at a time, funding for such small ticket investments could be raised from within the country. The concepts of convergence and subsidiary recommended by the Second Administrative Reforms Commission, could be utilized here, through teams of required number of members from the ministries concerned. The levels of such teams could be from the nodal ministry to the ground level, with each member being accountable for completion of his / her area of work on the ground, and each continuing to report through the line ministry hierarchy. This would not only introduce competition for efficiency and timely completion of work amongst the ministries concerned, but would also serve as a real time channel of communication for the progress on each project.

5.3 Technology Related Challenges

The heavy industry and power sector technologies in which the investments were made in the public sector undertakings to give it predominance in the first five decades after Independence, have become sub-optimal. The power sector in particular, is pivotal to all sectors of public service delivery. The all pervasive shortage of power is one of the biggest challenges awaiting remedial action. The new Information and Communication Technology (ICT) including the hardware, software and supporting network infrastructure which facilitate public sector agencies in delivering services to the citizens, is being utilized but its spread across the country is still limited to urban pockets, partly due to limitation of the power sector. Moreover, the obsolescence rate of the new ICT technology is very high. Therefore, keeping the pace of public service delivery updated to the innovations in ICT is an additional challenge, because maintenance of the obsolete hardware would become increasingly costly.

5.4 Making the service delivery, multi-channelled

The critical advantage of mobile phone technology is that it cuts across literacy and language barriers and therefore, in a multi-lingual country such as India, it can provide the last mile reach and connectivity for public service delivery. Access to mobile networks is available to 90% of the world population and to 80% who are living in the rural areas. Never before has a network connected such a huge number of subscribers. The penetration of wireless communication in India has reached more than 75%, which has created a unique proposition of being the amongst the world's truly mobile digital society. In its Eleventh Report entitled 'Promoting e-Governance The SMART Way forward' the Second ARC has given its recommendations on this challenge

5.5 The special challenge of Public Service Delivery in Left Wing Extremism affected districts

The Ashok Mehta Committee, headed by Ashoka Mehta and EMS Nambudripad, in a Note on the 1977-78 Report on de-centralization² raised an unresolved issue. It observed that under the Indian Constitution there was democracy at the centre and the state headquarters, but bureaucracy all along down the line, viewing Panchayati Raj Institutions as 'development only institutions' of local government. According to the Note no distinction should be made between regulatory and the developmental function of the state, while devolving functions and activities to the Panchayati Raj Institutions, which are representative governments at the district level and below. The cumulative non-responsiveness of local government has resulted in the emergence and growth of the Left Wing Extremism (LWE). The LWE is active in approximately 40 percent of India's geographical area. It controls large portions of remote and densely forested areas and are concentrated in what is now known as the 'Red Corridor'. This area is the tribal belt where the tension between economic development and forest rights and tribal way of life predominate.

Public Service Delivery in 40% of this area of the country, is severely impacted and the issues involved have been studied by the Second Administrative Reforms Commission. Its recommendations are in the Seventh Report entitled 'Capacity Building for Conflict Resolution Friction to Fusion'. In its Sixth Report entitled 'Local Governance An Inspiring Journey into the Future' the Second ARC has deliberated on this challenge.

² Economic and Political Weekly, November, 25, 2006 pages 4847 to 4849.
Background Papers for Panel Discussions

6. GENERAL ISSUES INVOLVED IN ADDRESSING THE CHALLENGES

A large section of our population relies on public sector offerings. Therefore, any improvement in service public service delivery would have a tremendous effect on economic growth and improvement in quality of life of our citizens. To achieve the same we have to address the challenges which exist in public service delivery. The following are key ways with which these challenges can be addressed:

- a. **Transparency in public service delivery:** The Right to Information Act, 2005 public service organisations need to focus first on improving front-end service delivery capabilities, through improved data sharing and collaboration in service delivery. The Right To Information Act (2005), has provided the framework for transparency in the functioning of the Government. Under this Act, access to information from a public agency has become a statutory right of every citizen. In effect the RTI Act has emerged as a vehicle for greater transparency about the manner of functioning of public agencies. The Media, as the fourth pillar of democracy has used it very effectively, to the advantage of the common man. Transparency has now become a necessary input in improving public service delivery by making individuals and units accountable.
- b. **Breaking down the line department system of organization:** An organizational structure for Government of India has been recommended by the Second Administrative Reforms Commission in its Thirteenth Report entitled 'Organizational Structure of Government of India', which needs to be read with its Ninth Report on 'Social Capital a Shared Destiny'.
- c. **Skills and talent management for the ICT based service delivery:** An emphasis on 'continuous learning is needed both at the personal and the official levels. Skill requirements for various jobs, and identification of training needs to deliver citizen centric services, can no longer be neglected. The Central Government has already started a project for identifying the skills needed for various levels of jobs in a multi-tasking work environment. For policy formulation, the Legal and Social theories are largely unrecognized as a part of governance. Study of the past requires an understanding of the present.³ Well studied and well established social theorists

³ SERVICE SECTOR GROWTH MATTERS - Economic Times, 27th June 2005

provide a frame work for policy formulation as they reduce uncertainty to a certain extent. Socio-economic theories can be considered for inclusion in the training on policy formulation also. Currently there is little or no communication between the academics and the policy formulator. Coordination of both is needed as academics do not have the capability to create policies while the policy formulators are unaware of the theoretical frameworks available for policy formulation.

- d. Encouraging better use of information and improvement of information structure:** One of the keys to meeting the challenge of delivering effective and efficient public services is to get better information about performance and then use that information to make better decisions and hold people accountable. Using good performance information underpins many of the initiatives under way to raise State sector performance. As public sector strive for efficiency, it is all the more essential that they have the information necessary to inform those decisions. An integration in terms of common technology, standards and processes across different department of the country.

7. CONCLUSION

Public services are a legitimate expectation and not a privilege in a democratic society. That is why aspiring to meet the basic needs of citizens is one of the key agenda for all democratic governments across the world. Efficient delivery of public services matters not only to the direct service recipients, but also contributes to the public perception about the government in a country.

From the 1990s onwards, public service delivery reforms have become the focus of all governance related reforms. Global trends, such as rising citizens' expectations from democratically elected governments, the building of infrastructure by governments to meet those expectations, improving the economic environment to attract global investment, public sector reforms, increasing partnership of the public private sectors in providing public service delivery, and changing demographics have transformed the environment in which the public services are delivered today. Their transparency and efficiency has become the benchmark by which a democratic government is judged both by its voters as well as by the international fund investors. Citizen Centricity, Stakeholder consultations, Rule of Law, independence of judiciary, the levels of social and economic inclusion, an open and transparent society and economy, a free media and similar features, have become the significant factors by which a nation is viewed in the comity of nations.

All democracies have developed their own brand of good practices, for improving transparency, setting service standard, increasing responsiveness and involving the civil society in the development of the country. Governments in 13 States across India, have made various efforts to establish a well defined legal and regulatory framework for public service delivery. The Central Government has introduced on 20.12.2011, 'The Right of Citizens For Time Bound Delivery of Goods and Services and Redressal of Their Grievances Bill, 2011, which is under consideration of the Parliament'.

In India, there is a rich basket of governance good practices that have evolved through small beginnings and individual efforts at the local levels, to finally emerge as a national level best practice in its sector. A list of 46 such best practices is given at Annexure 1 and a list of films on best practices is Annexure 2.

ANNEXURE

Annexure 1 - List of Best Practices

A select list of best practices in governance and public service delivery in India that have been replicated or adopted for local requirements in their respective sectors

Sl. No.	Name of the Best Practice	State/Organisation
1	Bhoomi	Karnataka
2	Gujarat Emergency Earthquake Reconstruction Project	Gujarat
3	Communitization of Public Institutions and Services of Nagaland	Nagaland
4	e-Registration (SARITA)	Maharashtra
5	e-Registration (PRISM)	Punjab
6	e-Registration (STAR)	Tamil Nadu
7	Gyandoot: Community owned Rural Internet Project	Madhya Pradesh
8	Echaupal ITC	ITC
9	Slum Sanitation in Pune	Maharashtra
10	Resettlement and Rehabilitation of the Urban Poor : the Mumbai Urban Transport Project	Maharashtra
11	Innovations in primary education - 'Nali-Kali'	Karnataka
12	Innovations in primary education - Shishu Shiksha	West Bengal
13	'Lokvani', Distt. Sitapur	Uttar Pradesh
14	One Day Governance - Vadodara & Ahmedabad Models	Gujarat
15	Problems of Street / Destitute Children	CRY
16	e-Procurement	NISG, AP
17	E-Braille	West Bengal
18	Koshwahini	Maharashtra

Sl. No.	Name of the Best Practice	State/Organisation
19	Treasury Information System	Karnataka
20	Treasury Information System	Tamil Nadu
21	e-Treasury Mission Mode Project	
22	Innovative Strategies for Tribal Development Attappady Wasteland Comprehensive Environmental Conservation Project	Kerala
23	Innovative Strategies for Tribal Development - BAIF Development Research Foundation, Pune	Maharashtra
24	Urban Governance Innovations in Municipal Administration - Surat Municipal Corporation	Gujarat
25	Urban Governance Innovations in Municipal Administration - Vishakhapatnam Municipal Corporation	Andhra Pradesh
26	Innovations in Health Sector - Telemedicine Project	West Bengal
27	Innovations in Health Sector - Health Call Centre	Andhra Pradesh
28	Innovations in Transport Sector - Indore City Transport Services Ltd.	Madhya Pradesh
29	Innovations in Transport Sector - Computerization in Transport Department in Punjab	Punjab
30	Empowerment of Women - Stree Shakti	NCT of Delhi
31	Empowerment of Women -Franchisee Arrangement entrusted to Local Self Help Groups in Uttarakhand Power Corporation Ltd.	Uttarakhand
32	Augmenting Drinking Water Supply - Aapni Yojana - A success story of Rural Water Supply Management in Rajasthan	Rajasthan
33	Augmenting Drinking Water Supply - Swajal	Uttarakhand
34	Public Distribution System	Chhatisgarh
35	Chiranjeevi Yojana	Gujrat
36	e-Huda : Plot and Property Management System	Haryana

Sl. No.	Name of the Best Practice	State/Organisation
37	Fire Alert and Messaging System	Madhya Pradesh
38.	Involvement of Community in Naxalite-affected Areas, Balaghat - Madhya Pradesh	Madhya Pradesh
39.	Online Scholarship Management, Andhra Pradesh	Andhra Pradesh
40.	Procedure followed for the conduct of the 3-G Auction and the possibility of extending it to other areas where sale of Government resources and assets are involved - DoT, GoI	Department of Telecommunication, Government of India
41.	Education & Training Centre (ETC) - Dreams to Reality	Maharashtra
42.	Sickle Cell Anemia Control Programme	Gujarat
43.	Financial Inclusion Bank	Punjab National
44.	Village Health and Nutrition in Complete Convergence Mode	Tripura
45.	Participatory Scientific Watershed Management in Gujarat	Gujarat
46.	e-Checkpost	Karnataka

Annexure 2 - List of Films on Best Practices

List of 43 Documentary Films Produced by DARPG in 20-25 minutes duration

1. Bangalore Agenda Task Force
2. Lost World Regained (Kutch Rehabilitation in Gujarat)
3. Vadodara Wins (One Day Governance in Vadodara, Gujarat)
4. Bridging the Digital Divide (Akshaya Project in Kerala)
5. Eco-Tourism in Himachal Pradesh
6. People's Movement against Throwaway Plastics in Tamilnadu
7. Bhoomi (Online Delivery of Land Records in Karnataka)
8. E-Seva the one stop Shop (Andhra Pradesh)
9. Window of Joy (Citizen Facilitation Centre in Kalyan Dombivili, Maharashtra)
10. Bhagidari Partnership Redefined (Govt. of NCT of Delhi)
11. Breaking the Barriers (Communitisation of Public Institutions and Services in Nagaland)
12. Kudumbshree
13. Friendly Neighbourhood Cops, Trichi Police
14. SETU (Empowerment through Connectivity)
15. Friends (Single Window Service Centre, Kerala)
16. 'On the Wheels of Comfort' - Railway Reservation
17. Area Based Assessment of Property Tax - Patna Municipal Corporation
18. Assam Police Social Action Programmes
19. Delhi Metro
20. Lokvani in Uttar Pradesh
21. Nali Kali
22. Slum sanitation in Pune
23. e-Braille
24. Ashraya (Govt. of Kerala)
25. Radical Improvement in Delhi Government School System
26. Innovative Participatory Drinking Water Delivery Approach in Rural Areas of Gujarat (WASMO)

27. Effective Management of Protected Areas (Uttarakhand)
28. Reducing Maternal Mortality and Female Infanticide (Tamil Nadu)
29. Financial Sustainability of Bangalore Metropolitan Transport Corporation, Karnataka
30. Safe Motherhood and Child Survival Programme, Gujarat
31. SCORE : e-registration in Bihar
32. Improved Health and sanitation Practices, District Surguja, Chhatisgarh
33. Recognition of Forest Rights, Madhya Pradesh
34. Removal of Encroachments of Structures Maintaining Communal Harmony, Jabalpur, Madhya Pradesh
35. Making Medicines Affordable, Chittorgarh, Rajasthan
36. River Linking Project, Jalgaon, Maharashtra
37. Computerization of Paddy Procurement and Public Distribution System, Chhatisgarh
38. Child Tracking System in Orissa-Government of Orissa
39. Bridging the Gap-Bihar Rajya Pul Nirman Nigam, Government of Bihar
40. Success Story of Malkapur, Government of Maharashtra
41. Education & Training Centre, Government of Maharashtra
42. Sickle Cell Anaemia Control Programme, Government of Gujarat
43. Changing Face of Thane and Nagpur Cities, Government of Maharashtra

List of 5 Documentary Films Produced by DARPG in 2012-13 in three duration of 15 minutes, 8 minutes and 5 minutes. These films were officially released on 3rd April, 2013.

1. Village Health & Nutrition in Complete Convergence Mode in Tripura
2. Participatory Scientific Watershed Management in Gujarat
3. Sustainable Plastic Waste Management in Himachal Pradesh
4. Liberating Manual Scavengers and Moving Towards Total Sanitation, District Budaun, Uttar Pradesh
5. Jeevika Bihar Rural Livelihoods Promotion Society: Socio Economic Empowerment of Rural Poor through Sustainable Community Institution

6. Documentary Films on good governance initiatives being finalised during 2012-13 in three durations 14 mts, 3.5 mts & 30 seconds.

S.No.	Initiatives	Awards
1	Panch Tantra Gram Panchayatha Online System, Rural Development and Panchayati Raj Department, Government of Karnataka and NIC	Gold Award - National e-Governance Awards, 2010-11
2	AGRISNET-Agriculture Information Service Network, Agriculture Department Government of Tamil Nadu.	Gold Award - National e-Governance Awards, 2010-11
3	Health Management Information Systems Tamil Nadu Health Systems Project, Department of Health & Family Welfare Government of Tamil Nadu	Gold Award - National e-Governance Awards, 2011-12
4	Integrated Odisha Treasury Management System (IOTMS), Directorate of Treasuries & Inspection, Department of Finance Government of Odisha.	Gold Award - National e-Governance Awards, 2011-12
5	Sugarcane Information System Sugarcane Commissioner, Sugarcane Development & Sugarcane Industries Department, Government of Uttar Pradesh	Gold Medal - CAPAM Awards, 2012
6	Electronic Service Level Agreement Government of Delhi.	Finalist CAPAM Awards, 2012
7	e-Sugam, a self policing system for Tax Compliance, Commercial Tax Department, Government of Karnataka	Gold Award - National e-Governance Awards, 2011-12
8	Cloud Telephony and IVRS based Daily Monitoring System: A revolutionary Approach for Monitoring Government Programme, Government of Uttar Pradesh	Gold Award - National e-Governance Awards, 2011-12
9	Crop Pest Surveillance and Advisory Project, Commissioner of Agriculture Department of Agriculture, Government of Maharashtra.	Gold Award - National e-Governance Awards, 2011-12
10	Aarogyam, District Health Society Bagpat & JP Nagar, Government of Uttar Pradesh.	Silver Award - National e-Governance Awards, 2010-11

S.No.	Initiatives	Awards
11	e-Awas - Government Accommodation Management System, Directorate of Estates, Ministry of Urban Development Government of India.	Bronze Award National e-Gov Awards, 2011-12
12	Integrated Geo-spatial ICT solution for Scientific Planning & Monitoring of MGNREGS works in Gujarat Commissionerate of Rural Development Department of Rural Development and Government of Gujarat.	Bronze Award - National e-Gov Awards, 2011-12
13	Property tax and water charges revenue management system, Online Birth and Death Certificate, Building Permission Management, Solid Waste Management with vehicle tracking, Grievance Management System, Online Dashboard for works Management, Pimpri Chinchwad Municipal Corporation Government of Maharashtra.	Gold Award - National e-Governance Awards, 2011-12

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14. Rashmi Singh (2011): Mission Convergence Programme of the Government of Delhi



Rural Economy with focus on Employment

Panelists

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2. Shri S. Ramadorai
3. Shri Narendra Jadhav
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Rural Economy with Focus on Employment

“The true India is to be found not in its few cities, but in its seven hundred thousand villages. If the villages perish, India will perish too.”

– Mahatma Gandhi

1. INTRODUCTION

The importance of the health of rural economy in the growth story of the country can easily be understood by the fact that though the share of agriculture, the fulcrum of the rural economy, in real GDP has fallen from 30% in 1990 to 14.5% in 2011-12, the share of country's population dependant on agriculture has not come down proportionately. For 68.8 percent of India's population, agriculture continues to be the only road to their quest for a decent existence. It is apparent that the inclusiveness of the Indian growth story will remain a chimera unless this daunting paradox is addressed in all its overt and covert dimensions.

The population of rural India is about 12% of the world population. If nearly 830 million people in rural India can be equipped with skills and capabilities to be actively engaged with the developmental process, this has the potential of unleashing powerful impulses to propel the country as the fastest growing economy in the world. If we can achieve 4% growth in agriculture, it can enable GDP to grow by an additional 2% implying enormous cascading effects on all other sectors and meaningful employment opportunities for the masses. It is imperative, therefore, to address the challenges faced by our under-managed and under-performing rural economy and leverage its full potential. The euphoria over demographic dividend can just end up in smoke if the rural youth is left at loose ends, having to choose between gross under-employment in the villages or distress migration to the urban areas as unskilled labourers thrown in at the deep end.

The uptrend in the urban population contributed to a large extent by migration for rural areas is not an unhealthy trend in itself and is rather a natural spin-off of an expanding economy and the accelerated shift

of rural laborers to non-agricultural work is also a welcome development. The mammoth challenge that needs to be tackled is that not all the one hundred and eighty million income seekers expected to join the workforce in the next fifteen years can be absorbed in non-farm sectors. This is a well-documented fact that even without an expansion in the area under cultivation, significant employment opportunities can be created by enhancing the agricultural productivity, diversifying the cropping pattern, modernization and technology induction and strengthening allied activities. The twelfth plan also focuses on inclusive growth through a broader spread of employment generation.

2. The existing scenario and important trends

2.1 Trends: Urban - Rural Population

	Population (in crores)		Growth Rate of Population (in percent)	
	2001	2011	1991-2001	2001-2011
India	102.9	121.0	21.5	17.6
Rural	74.3	83.3	18.1	12.2
Urban	28.6	37.7	31.5	31.8

As can be seen the share of urban population increased from 27.81 percent in 2001 to 31.16 percent in 2011 with rural population declining from 72.19 percent to 68.84 percent. During 2001-11 the growth of Rural Population was just 12.18 percent.

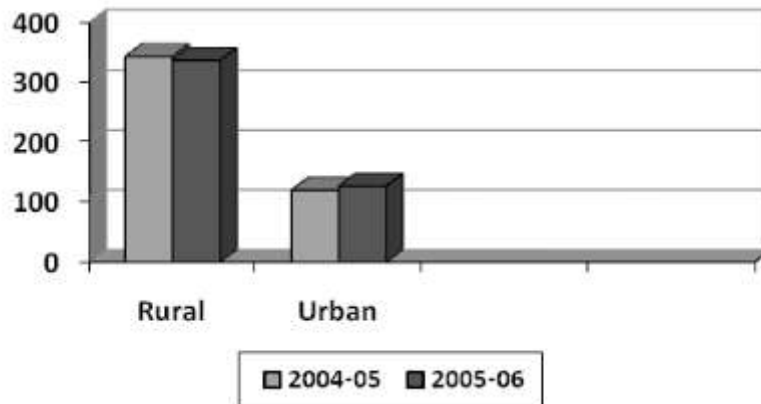
2.2 Urban - Rural Economy

The share of agriculture in the GDP in the country has dropped by nearly 5 per cent in the last eight years. It currently stands at 14 per cent as compared to 19 per cent of GDP in 2004-05. The decline has essentially been due to higher growth rates in other sectors, especially the services. Despite the low growth rate in GDP, the capital investment in the agriculture and allied sector has shown improvement.

Inadequate opportunities for employment beyond agriculture and lack of employability have resulted in over-dependence on agriculture which is not able to support the rising aspirations of the vast majority living in rural India.

As per the 12th Plan document, there has been a substantial divergence in the directions of growth of labour force and workforce in rural and urban sectors. In the Rural sector, the labour force declined marginally by 6.8 million from 348.7 million in 200405 to 341.9 million in 200910. The size of the workforce also showed similar trends. The workforce declined from 342.9 million in 200405 to 336.4 million in 200910, in the rural sector, marking a decrease of 6.5 million. In the Urban sector, the trends show a totally different picture. The size of the labour force went up by 6.6 million from 120.3 million in 200405 to touch 126.9 million in 200910. The workforce grew by 7.6 million from 115 million in 200405 to 122.6 million in 200910, in the urban sector. However the number of unemployed in the rural sector declined from 5.9 million in 200405 to 5.5 million in 200910 and in urban sector from 5.4 million to 4.3 million during the same period, indicating that the decline in urban sector was steeper than in the rural sector.

Work Force Size (in Million)



2.3 Urban-Rural Literacy Rates and the Issue of Employability

	Literacy Rates (in percent)	
	2001	2011
India	64.8	74.0
Rural	58.7	68.9
Urban	79.9	85

(Source: Census of India, 2011)

The literacy rates in rural areas have improved two times that in urban areas. The rural-urban literacy gap which was 21.2 percent in 2001 has come down to 16.1 percent in 2011. The number of literates in India is 77.85 crores out of which 49.3 crores are in rural India and 28.54 crores in urban India. There is an increase of 13.11 crores (from 2001 census) of literates in rural areas as compared to 8.66 crores in urban areas.

While there has been an improvement in literacy rates, employability of educated men and women, especially in rural areas remains an important issue to be addressed. For the economy to grow at 8% to 9% to achieve the effects of inclusive growth, it is important that secondary and tertiary sectors grow at 10% to 11% with the assumption that agriculture growth remains at 4%. This will create a large skill gap in the work force due to the difference in skills required in these sectors vis-a-vis the agriculture sector. As per National Skill Development Council, It is estimated that a skilled workforce of 500 million will be required by 2022. Currently from the supply side, as per Ministry of HRD's "Statistics of School Education", about 1.2 million people join the workforce each year with a majority of them being unskilled. Therefore it is critical to enhance the capacity of skilling capacity to 15 million. The current capacity in terms of vocation training Institutes including ITIs is only 1.3 Million.

2.4 Sector-wise Employment Rates

The Eleventh Plan aimed at bringing the overall unemployment down by generating new work opportunities exceeding the projected addition to the labour force. The results of NSS 66th round (200910) indicate that 18 million new work opportunities were created on CDS basis between 200405 and 200910. The unemployment in absolute terms came down by 6.3 million and the unemployment rate declined to 6.6 per cent in

200910 for the first time since 199394, after increasing to 7.31 per cent in 19992000 and 8.28 per cent in 200405.

Employment data by Industry (March 31, 2011 in persons lakhs)

		Public Sector	Private Sector
1	Agriculture and allied sector	4.77	9.18
2	Mining and quarrying	10.90	1.32
3	Manufacturing	10.16	53.97
4	Electricity, gas and water	8.31	0.70
5	Construction	8.47	1.02
6	Wholesale and retail trade	1.70	5.46
7	Transport, storage & communications	23.84	1.89
8	Finance, insurance, real estate etc.	13.61	17.18
9	Community, Social & personal services	90.95	23.50
	Total	172.71	114.22

(Source: Data Bank, Planning Commission)

The manufacturing and the service sectors are the sectors which give employment to large number of population. In rural parts the main source of employment is agriculture and allied sector.

2.5. Projected demand for Employment in India:

Year	GDP Growth rate	Agriculture	Industry	Services	Total
2011-12	9 percent	229.2	105.0	153.5	487.7
	7 percent	225.4	102.0	149.0	476.4
	5 percent	221.5	99.1	144.6	465.2
2016-17	9 percent	240.2	126.2	189.5	555.9
	7 percent	232.0	116.8	174.8	523.5
	5 percent	224.0	108.1	161.2	493.3

(Source: The challenge of Employment in India an Informal Economy Perspective NCEUS)

India is expected to grow at a rate of 8%. For this rate, more than 700 million Indians are estimated to be of working age and out of this, around 500 million will require some kind of vocational training.

It is expected that 95 percent of the employment will be generated in the informal sector (as per the study by National Commission for Enterprises in the Unorganized Sector)

3. Challenges in Rural Economy

There are major structural shifts that are taking place in rural economy and the contribution of household income is no more only from agriculture.

Contribution to rural household income	
From Agriculture	43 percent
From Services	36 percent
From Industry	21 percent

There are multiple avenues which are emerging as new businesses in the rural areas. A select list is discussed below:

- Horticulture, Plantation, Vegetable Growing, Floriculture, Aromatic and Medicinal Plants, Bio-Diesel Plants
- Processed food industry
- Rural Tourism
- Seed Multiplication and Processing
- Animal Husbandry, Dairy Farming, Sericulture, Aqua-Culture
- Wasteland Developments
- Agro-Forestry Products
- Rural Banking, credit and insurance
- Rural BPOs

But the road to the realization of the full potential of the rural economy is stiff with huge challenges. Monsoon continues to decide the fate of agriculture. Labour and land productivity continue to be well below international standards. Land reforms, modernisation, and technology induction have not with the desired momentum. Forward and backward

linkages for the agricultural and allied sectors are weak Social sector gaps are yet to be plugged. Development of physical infrastructure remains an unfinished agenda. Crop failure due to unpredictable variations in climate.

- Growing unemployment/underemployment
- Increasing costs of the farm inputs
- Increasing debt burden
- Inadequate infrastructure
- Dependence on nature
- Low shift on non-farm activities
- Lack of roads for rural connectivity
- Poor electrification or non availability of power
- Largely engaged in subsistence Agriculture
- Government protection making rural economy weak
- Inflation and falling purchasing power
- Multiple policies for the agriculture sector which have turned to be ineffective
- Support prices, cheap credit, loan waiver have failed beyond a point
- Ineffective land reforms
- Poor health facilities
- Focus on corporate development rather than rural development
- Focus on freebies like free electricity, no tax etc.
- Low tele-density despite large subscriber base
- Reduced farm incomes and real wage growth



4. Government's initiatives for Rural Employment

4.1 The Central and State Governments are taking multiple initiatives towards improving the rural economy with special focus on rural employment. The Central Government through the National Rural Employment Guarantee Act has guaranteed 100 days manual work in a year to all the rural households. The Government is also investing hugely in watershed developments, water harvesting ponds, check-dams and field channel to improve land productivity. The BPL families are encouraged to form self help groups and form micro-enterprises. There is sharper focus on creating infrastructure and facilities for vocational education and skill development. Number of Industrial Training Centres (it is) has increased to more than ten thousand and more it is and Skill Development Centers are on the anvil.

4.2 One of the earliest efforts of the Government of India was the Integrated Rural Development Programme (IRDP) which was launched in 1978 and focused on subsidized credit to the poor, enable them to build productive assets and raise their income levels. In 1999 the Swarnjayanti Gram Swarojgar Yojana (SGSY) which was introduced which all aspects of self employment (training, technology, infrastructure and marketing) and utilized the power of Self Help Groups (SHGs).

4.3 National Rural Livelihoods Mission (NRLM) was launched in June 2010 by the Government of India, in order to establish efficient and sustainable institutions for the rural poor that enable them to increase household income. NRLM is focused on four inter-related tasks.

1. mobilizing all rural, poor households into effective self help groups (SHGs) and SHG federations
2. enhancing access to credit and other financial, technical, and marketing services
3. building capacities and skills for gainful and sustainable livelihoods
4. Improving the delivery of social and economic support services to poor.

4.4 Training Rural Youth for Self Employment (TRYSEM) is another effort of Government of India to address the problem of training the rural youth for employment. Under the scheme training was imparted to

rural youth through formal institutions (like ITI s). The trainees were eligible for loans from the banks under the IRDP programme thus facilitating self employment.

4.5 Jawahar Rozgar Yojana (JRY) and Food for Work were other schemes to facilitate additional gainful employment for the unemployed and under-employed persons in rural areas. The various schemes not only provided additional income for the rural poor but also helped in building rural infrastructure. The assets so created (roads, culverts) boosted the marketing of rural products. Also, the government has launched schemes for the specific groups of industry, such as khadi handlooms, and handicrafts. Apart from the above schemes, Government of India has also endeavored a few flagship programmes which are discussed below;

4.6 The Mahatma Gandhi National Rural Employment Guarantee Act (NREGA) 2005 is aimed at providing minimum livelihood security than to generate rural employment and community assets. It is a law whereby the Government guarantees 100 days of unskilled manual work per household per year to any adult who is willing to do unskilled manual work at the minimum wage. MNREGA is different than other schemes as it originates from an Act of Parliament and is irreversible. The overall thrust of the programme is to ensure minimum wages to workers, better working facilities and above all a guaranteed income.

4.7 Milk co-operatives have brought a key change in rural economy. Dairying has become an important secondary source of income for millions of rural families and has an important role in providing employment and income. Co-operatives play an important role in animal husbandry and dairying sector, which contributes about one-fourth of agricultural GDP of the country. There are around 75,000 dairy co-operative societies, spread across the country serving more than 10 million farmers in 80,000 villages. The structure of dairy co-operatives consists of primary milk producer societies at the primary level milk supply unions at the district level and the National Co-operative Dairy Federation at the national level.

4.8 With a focus on skill training requirement in rural and unorganized sector, the Government has launched a National Skill Development Mission. The mission comprises the National Council on Skill Development headed by Prime Minister, National Skill Development Coordination Board headed by Deputy Chairperson of Planning

Commission and National Skill Development Corporation (NSDC). NSDC is a non-profit company being funded through the National Skill Development Fund. The Government has set a target for skilling 500 million persons by the year 2022 as part of the National Policy on Skill Development (NPSD). NSDC plans to skill/ upskill 150 million people including persons from rural areas by the year 2022 and will cover skills from organized as well as the un-organized sector. NSDC will play a pivotal role in support services like curriculum, faculty and their training, standards and quality assurance, technology platforms, student placement mechanisms and setting up standards and accreditation systems in partnership with industry associations.

NSDC has identified the following sectors as growth drivers:

- Auto and Auto Components
- Building and Construction Materials
- Real Estate
- Electronics and IT hardware
- Education and Skill Development
- Food Processing
- Gems and Jewellery
- Healthcare
- Textiles
- Leather and Leather goods
- Retail
- Tourism and Hospitality
- Transportation and Logistics
- Media and Entertainment
- Banking and Financial Sector
- Chemicals and Petrochemicals
- Furniture and furnishings
- IT and ITES

4.9 Large segment of population in rural India is still excluded from formal payments system and financial markets when the financial market is developing and globalizing. Apart from payment system the community also faces exclusion from formal credit markets leading to approaching informal/ exploitative markets. Financial inclusion is an effort to bring this excluded community in the formal payments and credit system like banking. Use of ICT, smart cards and the business correspondent model has helped in achieving financial inclusion in many parts of the country, especially in rural areas.

4.10 The Bharat Nirman programme integrates the development of rural infrastructure under different programmes in order to achieve goal of poverty eradication in rural areas. The six components included under the programme are irrigation, drinking water, electrification, roads, housing, and rural telephony. The programme aims to provide safe drinking water to over 55 thousand uncovered habitations, to build 1.2 crore houses at the rate of 24 lakh houses each year, to increase rural tele-density to 40 percent, provide broadband connectivity and Bharat Nirman Seva Kendras to all 2.5 lakh Panchayats, to provide road connections to 23,000 villages, to provide electricity to over 40,000 villages and bring in 3.5 million hectares land under irrigation.

4.11 Sarva Shiksha Abhiyan (SSA) is a programme aimed at achievement of Universalization of Elementary Education (UEE) in a time bound manner. It aims at addressing the needs of 192 million children in 1.1 million habitations. The programme seeks to open new schools and strengthen the infrastructure of existing schools by providing additional class rooms, toilets, drinking water, additional teachers, developing teacher-learning material and more. The focus of SSA is to provide quality elementary education including life skills and computer education.

4.12 The Government has established close to 100,000 Common Services Centers in 600,000 villages with an objective to develop a platform that can enable Government, private and social sector organizations to align their social and commercial goals for the benefit of the rural population in the remotest corners of the country through a combination of IT-based as well as non-IT-based services. The initiative is being implemented through Public Private Partnership (PPP) in a 3-tier structure - the CSC operator (Village Level Entrepreneur or VLE); Service Centre Agency (SCA), responsible for a division of 500-1000 CSCs and

the State Designated Agency (SDA) which manages CSC implementation over the entire State.

4.13 The concept of PURA proposes, urban infrastructure and services be provided in rural hubs to create economic opportunities outside of cities. The key focus of the scheme is to provide physical connectivity by providing roads, electronic connectivity by providing communication network, and knowledge connectivity by establishing professional and technical institutions. The key pre-assumption is that these facilities will lead to economic results in the rural areas. Creation of Physical, electronic and knowledge connectivity will lead to economic connectivity in villages.

Urban Amenities to be provided under PURA

Under MoRD Schemes:-

- Water and Sewerage
- Village streets
- Drainage
- Solid Waste Mgt
- Skill Development
- Development of Economic Activity

Under Non MoRD Schemes:-

- Village Street Lighting
- Telecom
- Electricity distribution, etc.

Add-on Projects i.e. Revenue earning projects (Indicative):-

- Village linked Tourism
- Integrated Rural Hub, Rural Market
- Agri Common Services Centre, etc.
- Any other rural economy based project

4.15 The SEZs are vehicles of holistic economic development and are instrumental in removing the deficiencies in infrastructure that exist in a particular region. These SEZs even help in waste land utilization thus generating income to the government and also leading to more investment in the area. The activities (manufacturing and services providers) helps the landless farmers with more employment opportunities.

4.16 Business process outsourcing (BPO) involves the contracting of the operations and responsibilities of specific business functions to a third-party service provider. Information Technology Enabled Service (ITeS), Knowledge process outsourcing (KPO) and legal process outsourcing (LPO) are some of the sub-segments of the BPO industry. After exploring the talent of urban youth in outsourcing from abroad, the BPO companies have now started tapping the talent in rural areas by setting rural BPOs. The companies get the cost advantage as the talent cost is less in rural areas and the attrition rates are low. For the local residents the rural BPOs bring in jobs as well as business opportunity in infrastructure, transport, security, internet and other service.

5. Selected Examples and Case Studies

5.1. Indian Initiatives

5.1.1 MNREGA in India

MGNREGA is a flagship effort (unique in many respects globally) aimed at the enhancement of livelihood security of rural households by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. The objectives include:

- supplement wage-employment opportunities in rural areas provide a safety net for rural poor
- create sustainable rural livelihoods through rejuvenation of natural resource base land, water, forests
- strengthen grassroots democratic processes and infuse transparency and accountability in rural governance



The impact of the implementation of MNREGA includes:

- Increase in Agriculture Minimum Wages , wage earned per day & annual income. Bargaining power of labour has increased
- There was no gender differential in wage rates for MGNREG works. Considerable wage disparity in other types of work
- Financial Inclusion: > 98 million accounts opened
- Distress migration has reduced in many parts
- Effective targeting of marginalized groups SC/ST/BPL
- MGNREGA is used as a supplementary income source during non-agricultural seasons
- “Green Jobs” created as nearly 70 percent works relate to water conservation, water-harvesting, restoration, renovation & desilting of water bodies, drought-proofing, plantation and afforestation
- Improvement in ground water
- Improved agricultural productivity & cropping intensity
- Livelihood diversification in rural areas

5.2 Initiatives of few State Governments

5.2.1 Government of Rajasthan Establishing Technical institutes in Lagging Areas Government of Rajasthan has conceptualized the initiative for reaching out to people in the under-serviced regions and population. This initiative aims to establish a vocational education facility in remote areas. The state government is to offer incentives such as land and cost of building to attract private sector participation. So far more than 50 such institutions have been set-up.

5.2.2 Skill Voucher Scheme Government of Gujarat

The Government of Gujarat has come up with a skill voucher scheme where the aim is to ensure that funds allocated for training reaches the beneficiary and therefore empowers them to select the course and institute they want to get trained in. The skill vouchers are intended to mobilize candidates and incentivize them to undertake training. The skill vouchers can be used both by Government agencies and private organizations.

5.2.3 E-Shakti Government of Bihar

E-shakti project is an initiative by the department of rural development, Government of Bihar for successful implementation of MNREGA in the state. E-shakti card will have all such details as permanent address, bank account number and number of days the holder worked and got wages for in a year.

5.2.4 The Andhra Pradesh MGNREGA Portal

The Management Information System (MIS) of the Andhra Pradesh state NREGA implementation is an example of successful utilization of ICT to both rationalize managerial processes and make the system transparent to the citizens.

The AP NREGA MIS is a web-based MIS which houses all information about every transaction, every work and every household, so that the process can not only be monitored at every step, but the system can also generate all kinds of reports that enable detailed analysis of the program. For instance, there can be reports on beneficiary households at the state, district, mandal and GP levels, disaggregated along indicators which enable important analyses like gender-wise and caste-wise wage analyses, and work-access and wage analyses for disabled wage-seekers. There are also reports that enable comparison and tracking of progress of works undertaken at different levels, the delayed payment reports, and detailed reports on the performance of the programme.

5.3 Some Private Sector Initiatives

5.3.1 ITC e-Choupal

E-Choupal (choupal means-village meeting place) is an initiative of ITC Limited started in year 2000 to link directly with the farmers in villages for procurement of agriculture products like soyabean, wheat, coffee, rice and pulses. ITC connected the Indian farmers through internet in their villages which helped the farmer to check the price of a given agricultural commodity in the local auction houses (mandis) and also other national and international commodity exchanges. Traditionally farmers used to sell their produce through middlemen but with e-choupal farmers have a choice to sell their produce. The e-choupal initiative today connects over 4 million farmers in 40,000 villages spread over ten states (Madhya Pradesh, Haryana, Uttarakhand, Karnataka, Andhra Pradesh,

Uttar Pradesh, Rajasthan, Maharashtra, Kerala and Tamil Nadu) through 6500 kiosks. These kiosks managed by farmers (called sanchalaks) enables the farmer to access information on weather and market prices in local language. These also help in gaining information on scientific farm practices, procurement of farm inputs by farmers, crop insurance and credit at the doorstep of the farmer. The farmers through these kiosks can now directly negotiate the sale of their produce with ITC Limited. The computers are connected via phone lines or VSAT connection and serve over 600 farmers of surrounding ten villages. The sanchalaks get a service fee per e-transaction. For every 35- 40 e-Choupals, ITC has created a hub which is being managed by a “Sanyojak” whose role is to manage operations including labor, logistics, cash distribution etc.

5.3.2 Project Shakti

Under project Shakti Hindustan Lever Ltd. (HLL) created a direct distribution network in hard-to-reach markets (markets without distribution coverage). The company selected entrepreneurial women from the villages and then trained them to become distributors for HLL products. The project thus created livelihood for rural women which lead to improvement of standard of living of people. These village women entrepreneurs are called Shakti Amma (“empowered mother”), have the unique knowledge of needs of the village needs and which products are in demand. The project Shakti was started in year 2001 and has been extended to about 80,000 villages in 15 states. It has given a sustainable income of about ` 700 ` 1,000 per month to about 25,000 women entrepreneurs in its fold. This income is double the average household income in the rural India. The project has improved the overall standard of living of rural women by creating market opportunities for them. An extension of project Shakti is project i-Shakti which was launched in partnership with the Government of Andhra Pradesh in November 2004. Housed in the homes of Shakti entrepreneurs, i-Shakti kiosks provide villagers with free information on a wide range of topics, including health, agriculture, education, finance, employment, and entertainment.

5.3.3 Amul

Amul is a dairy cooperative, based at Anand in the state of Gujarat which was formed in 1946. The Amul brand is managed by a cooperative body, the Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF), which is owned by 3.03 million milk producers in Gujarat. The Amul

Model is a three-tier structure with a Dairy Cooperative Society at the village level; a Milk Union at the District level and a Milk Federation at the State level. The milk collection is done at the Village Dairy Society, Milk Procurement and Processing at the District Milk Union and Milk Products Marketing at the State Milk Federation. The above structure was first evolved at Amul and thereafter replicated to the whole country under the Operation Flood Programme. Amul collected surplus milk from the milk producers of the village and make payments based on quality and quantity. Amul thus became a direct linkage between milk producers and consumers by eliminating the middlemen and adding to the income of farmers.

5.3.4 Tata Kisan Kendra

Tata Kisan Kendra is an ICT based initiative aimed at improving the quality of life of farmers. The initiative is aimed at identifying and facilitating three critical needs of farmers which are access to markets/ retail spaces, credit facilities and information/advice. The Kendras use remote-sensing technology to analyze soil, inform the farmer about crop health, pest attacks etc facilitating the farmer to adapt to changing conditions thereby leading to enhanced yield.

5.3.5 SEWA (Self Employed Women's Association)

Self Employed Women's Association (SEWA) is an organisation of poor, self-employed women workers who earn a living through their own labour or small businesses. They are the unprotected labour force of our country. SEWA is a confluence of three movements, i.e. the labour movement, the cooperative movement and the women's movement. The association looks into capacity building requirements of rural poor by offering classes like in sewing, knitting embroidery, spinning, press composition typing and stenography.

5.3.6 Saksham

Saksham is an initiative of Microsoft wherein a network will be created which will provide all stakeholders a platform to interact and jointly drive programs to reach out to the rural markets. The initiative is based on four levers of innovative business models, public private partnership, localized content and affordable solutions using IT. These kiosks provide services in areas like health, agriculture, G2C services, education and desktop publishing facilities in rural areas.

5.4 International Experiences

5.4.1 Germany's Dual Model

Germany's dual system has helped maintain its youth unemployment at 8 percent. Germany has managed to maintain low levels of youth unemployment, even as other countries in Europe have experienced an economic downturn. In January 2012, youth unemployment stood at 8 percent, compared with 23 percent in France and 22 percent in the United Kingdom. The German dual model of structured training within a company combined with part-time classroom tuition in vocational and general subjects is often cited as a reason for this achievement.

The model has been successful in providing young people with skills for a smooth transition to the labour market. Open to all students who have completed lower secondary education at age 15, it lasts two to three and a half years. Around 60 percent of German youth enrol in the dual system, and 57 percent of those who complete an apprenticeship are immediately employed by their training company.

Apprentices are considered employees and paid by the training company. They can choose from about 340 occupations, from hairdressing and car repair to insurance and financial services.

Regulation and partnership are the principles that make the system so successful. Representatives of the federal government, the states, employers and employees work together by consensus to develop curricula, provide training and carry out assessment, certification and quality assurance.

Mutual trust and a long-term commitment to developing human resources are the key ingredients that enable the dual system to deliver the skills that employers need while guaranteeing employees sufficient skills to change jobs and move up the career ladder. They are also the aspects of the dual system that make it so difficult to replicate elsewhere.

Germany's economy has a broad industrial base, with many small and medium-sized companies involved in export-oriented activities and requiring a highly skilled workforce. Companies thus see apprenticeships as a vital investment to guarantee their long-term competitiveness. While the dual system has often been cited as one reason youth unemployment is lower in Germany than elsewhere in Europe, economic growth and an

ageing population are also key factors. Given the economic downturn and demographic growth in many other OECD countries, it remains to be seen to what extent elements of the dual system could help to solve the problem of unemployment on a large scale.

Sources: BIBB (2011); Eurostat (2010); Hippach-Schneider and Toth (2009); Germany Ministry of Education (2011).

5.4.2 Ethiopia aims for growth through comprehensive skills planning

With the aim of becoming a middle income country by 2025, Ethiopia has developed ambitious strategies for boosting growth and reducing poverty, which include enhanced investment in education and training.

Over the past five years Ethiopia has achieved high rates of growth, averaging over 10 percent annually. Yet it remains one of the world's poorest countries. Around 85 percent of the population is rural and agriculture provides about 80 percent of employment. The formal private sector is small. Aside from state-owned enterprises, very small companies with limited productivity predominate. They cannot absorb a growing labour force, so urban unemployment is high.

In education, too, there has been rapid progress but significant challenges remain. According to official figures, the primary net enrolment ratio rose from 36 percent in 1999 then one of the world's lowest levels to 81 percent in 2010. Gross enrolment in secondary school rose from 13 percent in 1999 to 36 percent in 2010. Enrolment in technical and vocational training also expanded rapidly over the decade, from an estimated 106,336 in 2003/04 to 717,603 in 2009/10, according to government data. Despite these gains, 81 percent of 15- to 19-year-old men and 92 percent of young women lack foundation skills in rural areas, where only 20 percent of secondary schools are situated.

Recognizing the need to address these challenges, Ethiopia's 2010/11-2014/15 Growth and Transformation Plan gives skills development high priority. Although smallholder agriculture is projected to continue to be the predominant, if declining, source of economic activity, there is substantial emphasis within the plan on increasing productivity of micro and small enterprises primarily within urban areas, acknowledging their considerable potential to create jobs and reduce poverty.

For Ethiopia to achieve its ambitious objectives, including annual GDP growth rates in excess of 11 percent, a substantial proportion of growth

will have to come from increases in productivity, requiring greater use of technology and a more skilled labour force.

To meet that need, a five-year Education Sector Development Plan, running in conjunction with the Growth and Transformation Plan, aims to achieve universal secondary schooling by 2020.

The education plan aims to provide technical and vocational skills to create a competent and adaptable workforce in agriculture and industry. To assure balanced growth across rural and urban areas, the plan includes a doubling of the number of institutions providing technical and vocational skills in rural areas. Special focus is also given to adult literacy, alternative basic education for out-of school and disadvantaged children, and expanded education in rural areas, along with preferential access for students from disadvantaged regions. Technical and vocational training is intended to better meet demand and support strategic sectors, with enterprises participating in most training.

Ethiopia's plans for education expansion and growth are ambitious. Its remarkable achievements in expanding primary education in a short time and its recent impressive economic growth give reason to hope that the government's commitments can be translated into action, provided appropriate investment is made to support its plans.

Sources: Brixiova and Asaminew (2010); Engel (2012); Ethiopia Ministry of Education (2005, 2008); Ethiopia MoFED (2010); UIS (2012a).

5.4.3 Skill Development for Adolescent Girls Ishraq programme of Egypt*

Egypt's current adolescent population is the country's largest ever: more than 13 million boys and girls aged 11 to 19. Despite major progress in primary schooling, many young people, particularly rural girls and women, have almost entirely missed out. In 2008, 20 percent of rural women aged 17 to 22 had less than two years of schooling. Many are likely to get married young.

The Ishraq programme was launched in 2001 by a coalition of international NGOs to provide skills training through a pilot project involving 277 out-of-school girls aged 13 to 15. The programme designers realized that, in this very conservative setting, parents would have to agree to the types of skills their daughters would be taught. Literacy and numeracy were among the most accepted and sought-after. A 'safe place' was provided in

every community where the girls met four times a week over the thirty months of the project to receive training to become active members of their communities and to become earners. The programme also educated boys, parents and community leaders to allow girls greater freedom to seek education and enter the world of work. In addition, Ishraq worked at the governorate and national ministry levels to gain support. Participation in the pilot programme increased literacy and numeracy skills significantly. Of participants who took the government literacy examination, 92 percent passed, and 69 percent of participants who completed the programme entered or re-entered the formal school system. Ingrained negative beliefs among the girls themselves and their families significantly decreased and girls were allowed greater freedom. The proportion of girls saying they wanted to be married before 18 fell from 26 percent before the programme to 2 percent among those who completed it. All in all, the girls were found to be more empowered and ready for roles as productive family and society members. Only 18 percent of the initial 277 participants pursued vocational skills courses, and an evaluation of the programme acknowledged that this area would need strengthening. Some wanted training in electrical appliance repair, but most were interested in more traditionally female occupations such as hairdressing.

Overall success led to the programme being extended, and it currently reaches at least 2,500 girls in fifty villages. The challenge is ensuring that even more girls are reached, given the large numbers who still do not complete primary school in rural Egypt.

*Excerpted from Youth and Skills Putting Education to Work UNESCO report.

5.4.4 Enhancing outcomes of South Africa's Expanded Public Works Programme through skills training

South Africa's Expanded Public Works Programme aims to extend job opportunities in a context of extremely high unemployment. By December 2010, only 12.5 percent of youth aged 15-24 were employed. The recession that hit South Africa resulted in a contraction of youth employment youth accounted for 40 percent of jobs lost over the period. Unemployment rates were higher for youth aged 18-24 who had at most some secondary education compared with those with tertiary education.

The first phase of the public works programme (2004-2009) aimed to provide 100,000 to 200,000 short-term work opportunities each year for four to six months in total. A second phase (2009-2014) aims at even

broader coverage; in 2014 the programme expects to offer 1.5 million work opportunities lasting 100 days each. Work is in areas such as road construction and maintenance, home care for elderly people, child care and providing school meals. For every month worked, participants take two days of training, including life skills (HIV awareness, job search skills), on-the-job learning and formal training.

An evaluation of the first phase found that the number of work opportunities created had far exceeded targets but that only 46 percent of the target number of days of training had been reached. Difficulties defining relevant training content and a scarcity of good quality training providers sometimes posed problems. The benefits of the training received were further affected by the limited duration of public works and the low wage paid: at best workers could invest in survivalist microenterprise activities. Investing more in training could help ensure that the programme has a more sustainable impact.

Sources: McCord (2005, 2012); Meth (2011); South Africa National Treasury (2011); Walther et al. (2006a).

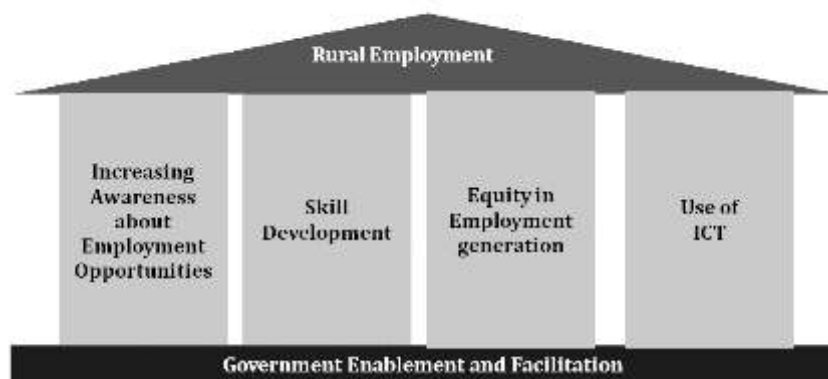
6. Rural India Strategies for Employment Generation

6.1 Despite several schemes undertaken by the Government towards providing employment/ self employment, there is a gap that exists in rural India mainly attributable to the following factors:

- Investment in unviable projects
- Lack of technological and institutional capabilities in designing and executing projects
- Illiterate and unskilled beneficiaries with no experience in managing an enterprise
- Indifferent delivery of credit by banks (high transaction cost, complex procedure, corruption, one-time credit, poor recovery)
- Overcrowding of lending in certain projects such as dairy
- Poor targeting and selection of non-poor
- May succumb to the pressure of capitalistic economy
- Victim of vote politics (Unwarranted freebies)
- Poor connectivity led to deprivation of many facilities and information



6.2 A framework for improving the rural employment scenario is presented below:



6.2.1 Increasing Awareness about Employment Opportunities

Reaching out to over 83.3 Crore population amounting to 68.84 percent of total population of the country is a big challenge. It is very important that awareness be created about various job opportunities which are available for the rural population. The Government uses radio and TV programmes especially focused on farmers for imparting information related to crops. These programmes can be used to create awareness about the self employment/ job opportunities for the rural sector. It is essential that information related to job schemes like NREGA has to reach the rural population. The information can be disseminated in form of articles, books, organizing meetings, seminars and using various audio-visual media. The traditional methods like melas, street plays, wall writings, hoardings and banners can further be used to disseminate information to rural poor. Key individuals in the village like the panchayat secretary, school teacher, post man, CSC operator can also be used to inform farmers regarding various employment opportunities. Mobile based recorded messages / SMS are the new media which can be used to create awareness amongst the rural population.

6.2.2 Skill Development

Skill Development of rural population is crucial to improve employability and livelihood opportunities in villages. It is essential that coordinated efforts with respect to imparting quality education and training to rural

population. The focus has to be towards imparting training in the areas which will have a multiplier effect. The Participation of industry association in the area is also crucial as the same will help in imparting the skill training in the areas which are in demand. ITI's and other institutions responsible for skill development need to be aligned towards the demands of industry. The efforts should also to support the skill development initiated by private sector and Public-Private Partnership (PPP) model may be worked out. Various clusters which may be developed/promoted as specialized clusters for a particular skill need to be identified and all effort for making them as specialized hubs for a particular skill need to be undertaken. Apart from ministries like rural development, MHRD, labor, agriculture the other ministries may also identify various areas wherein skills can developed. Sectors like Tourism, Textiles, Food Processing, MSME, Heavy Industries, Urban Development, and Information Technology are other few areas where there is a demand for skilled labor which can be met by fulfilling the skill training gap. Other focus areas where industry can play a role in parallel with Government include development of curriculum, provisioning expert faculty, training quality assurance and accreditation. National and international best practices may be identified in various areas and the same can be shared through a repository with various training centres. Apart from training in specific skill-set the rural tribal people need to be trained in entrepreneurship development, management and business skills.

6.2.3 Equity in Employment Generation

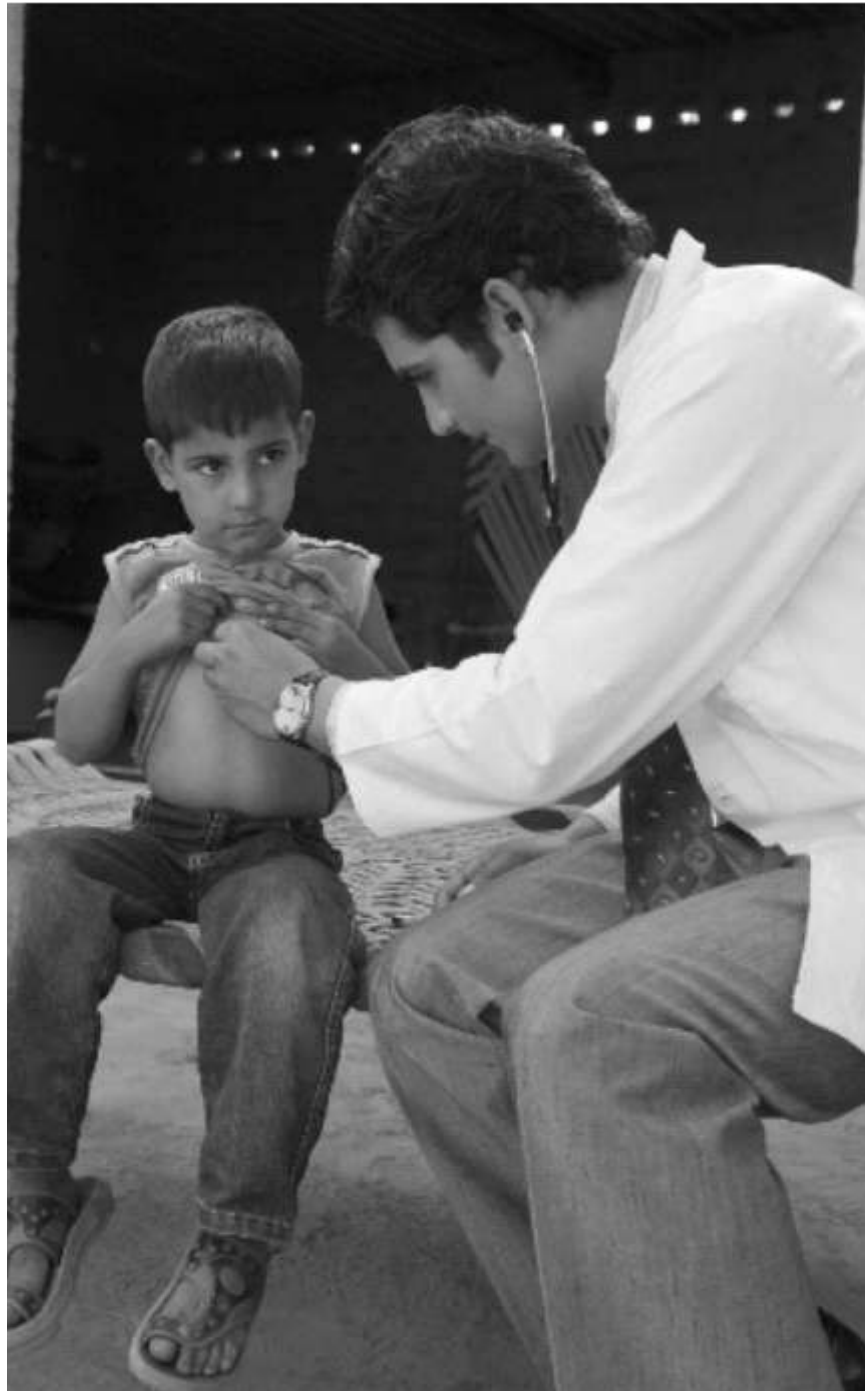
The effort towards employment generation has to be equitable and the special groups like SCs, STs, BPL, women, and disabled have to be brought into main stream by focusing on employment generation for these special groups. The initiatives like SEWA, Project Shakti are being focused on employment of women. The private sector has also played a crucial role in strengthening the women. HarVa is one such initiative wherein the rural business process outsourcing (BPO) company has hired only women. The company has hired over 500 rural women after training them. Datamation foundation is another entity which targets women, economically and socially disadvantaged communities and enable employment for them. Such efforts by Government, private sector and NGOs need to be replicated in order to reach out to various underprivileged communities.

“Gender inequality is an aspect which deserves special attention. Women and girls represent half the population and our society has not been fair to this half. Their socio-economic status is improving, but gaps persist. The emergence of women in public spaces, which is an absolutely essential part of social emancipation, is accompanied by growing threats to their security.”

Prime Minister Dr. Manmohan Singh in his opening remarks at the 57th National Development Council (NDC) meeting on 27th December 2012.

6.2.4 Use of ICT

Information and Communication Technologies can play a crucial role in employment generation. Government has already established internet based kiosks in form of CSCs which has not only provided direct employment to rural youth but also open a window of opportunities which are available nationally and internationally. Help-lines in form of Kisan Call Centres have been established wherein issues raised by the farming community are addressed instantly and that to in the local language. These CSCs and Kissan Call Centres can play a crucial role in dissemination of information. Further the mobiles can also be used to share SMS based advisories to farmers. A rural job portal can also be created to inform the rural population on various job opportunities classified based on geographies and skill set. Similarly online employment exchanges can be created which provide information on skill sets of the rural population to the prospective employers. The private initiatives like the ITC e-choupal and rural BPOs need to be replicated to ensure multiplier effect towards rural employment generation.



7. CONCLUSION

The rural sector in India has immense potential to generate new jobs with relatively low direct investments in both farm and non-farm area. However it is important that the awareness of jobs in new and emerging areas reaches the target audience. Apart from awareness generation, it is equally important that agricultural productivity is increased both by diversifying the cropping pattern and increasing production and skill development in non-farm activities is facilitated. The Government and the industry have a crucial role in identifying the skill development gaps and addressing them. There is a need to intensify the efforts to improve both social and physical infrastructure in rural areas. It is reassuring that both central and state Governments are fully abreast of the challenges and promises that the rural economy holds for the nation.

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