

Public Administration - Paper - 2 - TFWs

EVOLUTION OF INDIAN ADMINISTRATION Date _____

Q: "The rule of kings depends primarily on written orders..." why did Kautilya favour codification of laws?

- ✓ Kautilya - Arthashastra - Mauryan period;
- ✓ Centralized Power: King: DHARMANIAM
- ✓ TO REDUCE ADMINISTRATIVE DISCRETION: codification needed
- ✓ 40 kinds of corruption: codification needed
- ✓ To run the behemoth of administrative machinery
- ✓ Social order needed to be maintained &
- ✓ Kautilya: comprehensive system of justice; invaluable insights.
- ✓ King: as against matsyanyaya/anarchy; codification important
- ✓ trappings of a welfare state/paternalistic rule: codification concomitant.

Q: British made significant contribution towards modernization of the Indian Administrative system on "Rational-legal" basis. Justify with reference to the period from 1830-1865.

A- Before 1830

- ✓ EIC: Trading Corporation
- ✓ Decline of Mughal Empire → EIC's territorial dominion ↑
- ✓ Elements of Mughal Admin + new ones (e.g. civil services)
- ✓ Regulating Act - 1773: functions other than trade, Gov. Genl.
- ✓ Hastings administration: EIC: from trader to govt., revenue, law & order, etc.
- ✓ CORNWALLIS CODE: bound to authority

- ✓ Boards for admin of different departments.
- ✓ Wellesley: training of civil servants: Fort William
- 1833: Charter Act.
- ✓ Bengal → Bengal, Agra
- ✓ GG → GG of India
- ✓ Commercial Department ceased to exist
- ✓ RIGHT of PATRONAGE taken away from Court of Directors
 - ↳ though element of competition couldn't be introduced due to opposition of CoD.

1853

- ✓ Patronage abolished → open competition for recruitment
- ✓ Civil Service Commission: 1854
- ✓ Macaulay Committee Report, Bible on competitive recruitment and training

✓ 1858: transfer to Crown

✓ 1859: PORTFOLIO SYSTEM introduced by Canning

✓ 1861: decentralization & element of election initiated

✓ 1860: Paper Currency

→ representation

✓ 1860: Accountant & Auditor General, IPC✓ 1861: Indian Police Act, Cr PC

or merit

Rational — knowledge based authority
 legal — vested by law.

Q: Bureaucracy developed by the British stifled ^{village} the self rule.
Comment.

Ans: ✓ parochial self-administration rather than self-rule in villages under British

- ✓ Before they penetrated villages → wider powers were available to Panchayats in social, economic and judicial realms at a local level.
- ✓ DM → concentration of power along with other functionaries
- ✓ forced villages to open up → from one end revenue admin. imposed heavy taxes, from the other: indigenous industries were being destroyed; growth in agricultural techniques ~~were also~~ was stifled as well.
- ✓ only aims: revenue & law and order

Q: Despite different contexts, administrative maxims of Kautilya's Arthashastra bear considerable similarity with features of Weber's ideal bureaucratic model. Comment.

Ans: 1. Differences

- Context: ✓ Kautilya → ancient Indian Monarchy; traditional authority
 ✓ Weber → modern system, elements of legal rational authority
- Weber: formulated typologies of admin. systems in context of their environmental settings.
- ✓ Kautilya: no theory building; empirical reality; normative and prescriptive in treatment.

✓ Weber focusses on "authority" → legitimacy from acceptance
✓ Kautilya " " "control" → " " "power"

Date _____

✓ Weber's model: ideal type construct based on imagination of accentuation of a given set of attributes; ∴ here normativism wasn't prominent.

Similarities.

- ✓ emphasis on efficiency and rationality
- ✓ concern for clean admin.
- ✓ unity of command, merit, codifying laws, documentation
hierarchy, coordination ↪ ?

Q: 'Some features of Mughal Admin. , in essence, do exist in Indian Administration.' Elaborate.

Ans: ✓ Mughals: strong center, uniform admin, ^{no} separation of civil and military admin. Subahs had structure similar to the center → uniformity & sense of oneness; (political unity)

✓ British → didn't try to reinvent the wheel; incorporated imported elements into the preexisting structure, used the existing machinery.

Changes: ✓ Gram panchayats worked in silos during the Mughals; British forced them to open up;
✓ Municipal admin didn't exist under Mughals.

✓ Muzir/dawan subedar faujdar ⇒ GG Governor Dist. Magistrate

✓ Many Hindu states adopted the Mughal Administrative model. (outside the territory directly subject to Mughal rule) e.g. Shivaji adopted it at first in Maharashtra and then to give it Hindu color changed the titles from Persian to Sanskrit.

Q: "Kautilya was not only the foremost politico-administrative thinker of ancient India but he was an advocate and preacher of moral values too." Comment.

Ans. ✓ doctrine of paternalistic rule - Yogakshema

✓ other than merit, emphasis on integrity and honesty

↳ tests : dharmopadha, bhayopadha, arthopadha, Kamopadha

✓ didn't divorce politics from ethics unlike Machiavelli's "Prince"

✓ Dharma, ashramas, varnas (vedic maxims)

✓ Dvaityajya favoured, Vairajya frowned upon

• ~~Muktasik~~ → officer in charge for public moral

Q: "In the happiness of the subjects lies the king's happiness; in their welfare, his welfare." Comment on Kautilyan state administration. In what respects is modern democratic rulers' behaviour different from Kautilyan ruler?

Ans. Kautilya's rulers:

- ✓ 1. Extensive powers, King's word final, only recommendatory role of mantrin
- ✓ 2. Yogakshema, paternalistic rule
- ✓ 3. only check on power: discontent & revolt of subjects.
- ✓ 4. Wide Discretion → not bound to do welfare (no obligation)

Democratic rulers

- ✓ 1. Responsible to the people (to Parliament in parliamentary democracy)
- ✓ 2. Decisions after due consultations within cabinet / with concerned Ministers.
- ✓ 3. Executive responsible to Parliament.
- ✓ 4. Constitution supreme
- ✓ 5. Checks and balances in place to prevent abuse of authority
- ✓ 6. Welfare prime motive rather than discretionary or auxiliary activity, (not out of the sweet will of the king)

* which determined his pay and status

Date _____

Q: "The Mughal administrative system was a military rule by nature and was centralized despotism." Comment.

Ans. ✓ Every official : mansab ; nominal commander of 'n' horsemen* ; configuration based on military system ; bakshis : military paymasters

✓ King : unlimited powers : centralized despotism
His word was the law.

✓ democracy absent, → no freedom or political expression

✓ no effort to build a nation or a homogenous state

✓ mass of the people remained human sheep

but ~~no trace of military methods in civil administration~~
✓ it was a bureaucracy and not a military govt. }

Q: "The main features of British governmental and administrative system continue to influence the present Administrative system." Comment.

Ans. ✓ Primarily a legacy of the British system: Civil Services, Administrative training, Secretariat system, police, budgeting, Revenue administration, accounting, auditing, office procedures

✓ GoT 1935 - federal, 3 lists,

✓ CrPc - 1861, IPC - 1860

✓ Their intentions : ease of administration, maximum control, maximum revenue

✓ ~~Our~~ Makers of Our Constitution chose to use the elaborate machinery already developed to our advantage rather than pulling it down & jeopardizing a nascent democracy

- ✓ Federalism, Parliamentary System, Dist. Collector
- ✓ Creation of Middle Class
- ✓ Rule of law
- // Refer Ch-26, Super 50 //

Q. "The Arthashastra is India's oldest complete text on public Administration." Comment.

Ans. ✓ Mauryan Era - Arthashastra - 321 - 296 BC

- ✓ Artha - substance of livelihood of men
- ✓ acquisition & protection of artha : labha, Palana
- ✓ Science of statecraft, politics & administration
- ✓ 15 adhyakshas
- ✓ not a theoretical treatise → practical aspects
- ✓ political economy approach
- ✓ polity ← Vittashastra (economics)
 ↓ Dandaniti (statecraft)
- ✓ financial considerations paramount
- ⇒ ✓ deals with principles of administration, machinery of govt. and personnel mgmt.
- ↳ Three aspects of science of PA

Q "The value premises of our Constitution in the era of global constitutionalism."

Ans. ✓ since 1991 - NEP - liberalization, privatization, globalization.

✓ mixed economy's tilt towards private is conspicuous

✓ NPM

✓ Still → basic values of constitution intact.

✓ tenets like liberty, equality, fraternity, Sovereignty, secularism, Democracy, Republic → more vocal

✓ Socialism: Directive Principles, welfare role of the State, policies of the govt. to usher in egalitarianism

Though, present scenario is a far cry from it.

Challenges remain, yet we have managed to evolve our outlook and policies, internal and external, while sticking to the values we set out with in 1947 and at the same time, manoeuvring our democracy so as to keep adapting with the external environment, while constantly prioritizing all round growth of our people.

✓ Most importantly, people are still supreme, sovereign.

↳ this is buttressed by the freedom available to the press

and civil society as to expression of opinion on most sensitive issues in a manner which is constitutional & in all its manifestations.

examples → movements for Lokpal, RTI, NBA, ~~MS~~ MKSS, Telangana, Jharkhand

✓ ~~&~~ Judiciary, civil society and media → ensure that the values are adhered to in letter and spirit.

PUBLIC SECTOR UNDERTAKINGS, PRESIDENT, PM

Date _____

Q: Is it correct to state that "one of the major reasons for the failure of many PSUs was due to departures from the original concept of autonomy"?

Ans. ~~Yes~~ While it is a truism that lack of autonomy forms the core of problems ailing PSUs, it is also essential to examine other concomitants as well as parallel ~~aspects~~ factors

✓ Lack of professional management : civil servants, retired army personnel & MLAs on boards

✓ Lack of autonomy : interference in day to day admin., leading to red tapism

✓ Poor project management : cost and time overruns

✓ Faulty financial planning : ARC : over-capitalisation, unutilised capacity

✓ Underutilisation of capacity : locking up scarce resources

✓ Poor labour relations : strikes, lockouts, turnover, absenteeism

✓ Heavy overheads : 20% in townships

✓ No definite pricing policy

✓ Long Gestation Period — in many PSUs accumulated losses are twice or thrice the share capital.

✓ Lack of autonomy can be considered to be the fountainhead from which many of the above problems emanate.

✓ The statement is correct

✓ The idea is to strike a balance b/w autonomy and controls which has turned out to be quite a challenge for the Govt. and policy makers:

→ How has the autonomy been lost? →

Q: "In an era of hung parliaments, the power of the President expands, more so when the incumbent decides to be assertive." Comment on the statement with reference to the situation in India during the last two decades.

Ans: Last two decades mark an era of coalition politics.

✓ to stake claim to form a govt. → show strength on floor of the house

✓ no clear winner → marginal discretion. Eg. S.D. Sharma invited Vajpayee; when AIADMK withdrew support, he lost vote of confidence → Narayanan gave chance to congress to try for an alternative; *

✓ discretion in appointing the PM

X ✓ V.V. Giri declared as early as 1969: "I shall not be a rubber stamp even of God."

✓ PM's presidents: V.V. Giri, F.A. Ahmed, Zail Singh

✓ Assertive presidents: K.R. Narayanan, Kalam

✓ instances of hard stance adopted by Prez: Zail Singh against Pesta Bill of Rajiv Gandhi, Kalam against office of profit bill, K.R. Narayanan against President's rule in U.P. and Bihar,

Rajendra

✓ ~~But the~~ farcical combinations → legitimacy of govt. getting blurred
⇒ constitutional experts looking for areas of independent action by Prez to come to the aid of the country

✓ Emerging situations will demand sagacity and statesmanship.

✓ The President's office is ~~not~~ neither wholly ornamental nor activist. It has to be a confluence of wisdom and consensus.

✓ Any single party ~~is~~ holds lesser sway over vote supply on many issues when it is a coalition partner than it would if it were to command a majority. This probably plays a role in strengthening the Pres's position vis-à-vis the ruling dispensation. So there's room to be assertive in such a scenario.

✓ Venkattraman invited V.P. Singh when Congress(I) sat out (9th Lok Sabha)

✓ S.D. Sharma was criticised for inviting A.B.V. to form govt.

⇒ after elections to 11th Lok Sabha returned a hung Parliament.

↳ 'Acting in haste': CRITICS (3rd Front) said that inviting leader of the largest party was proper only if there was

only one claimant to the prime-ministership. Not when there is a rival who commands majority in house.

Q "The President of India acts like grandparent in a family. If the younger generation does not follow his/her advice, he/she is just unable to do anything." Comment.

Ans. ✓ While it is true that real power rests with the CM upon whose advice the President exercises his power, however:

✓ his office : confluence of wisdom and consensus, → awe, respect, due courtesy and honour → as is given to the elders in Indian culture

✓ There have been disagreements : R. Prasad - Nehru, Zail Singh - Rajiv, Kalam - Sonia, ~~Venkataram~~ Narayana - Vajpayee → Not merely a rubber stamp, especially in the coalition era

✓ open confrontation has always been avoided.

✓ more assertive Presidents, earlier : PM's presidents

now.
much depends upon the incumbent's individual outlook

Q: "Memorandum of Understanding scheme" between govt. and public enterprise has forced public undertakings to improve the overall performance. Comment.'

- Ans. ✓ defines obligations of both parties with a view to grant autonomy the ~~the~~ PSE and reduce interference of Ministry & improving performance of PSEs.
- ✓ makes PSEs responsible and Accountable for the results.
 - ✓ system of annual performance contract b/m Ministry & PSE
 - ✓ Recommended by ARTUN SENGUPTA COMMITTEE REPORT, 1985

Q: "Not the Potomac, but the Thames, fertilizes the flow of Yamuna." In the light of the statement, comment on the symbolic institution of the President in India.

Ans: ✓ During Const. Ass. debate, Ambedkar : though the title is same as that of Prez of USA, there are no further is nothing in common beyond that.

- ✓ America : Prez is chief head of executive
- ✓ India : Same position as king in British Constⁿ
- ✓ Constitutional head / figure head
- ✓ 42AA & 44AA made the position clear → Art 74(1)
- ✓ Working of the Constitution has been a testimony to this position

Q: Indian PM should not only be accountable to the Indian Parliament but appear to be so. Comment on the accountability of the PM to the Indian Parliament in the context of extra-constitutional powers.

Ans.: • few approaches to the office of the PM:

- ✓ primus inter pares (first among equals) : LORD MORLEY
- ✓ inter stellas luna minores (moon among minor stars)

↳ SIR WILLIAM VERNON

- Pivot of the whole system of Govt. : HAROLD LASKI
- Sun around which planets revolve : IVOR JENNINGS

✓ Last 2 statements are proving to be a truism in Indian context.

✓ Constitution: CM responsible to Parliament; but Cabinet in practice has become master of Parliament

✓ Shift from "Parliamentary Govt" to "Cabinet Govt" to "Prime Ministerial Govt."

✓ Extra ordinary powers : PM

✓ Office of the PM has been "Presidentialised" ← ?

✓ Power of selecting & shuffling ministers, head of cabinet committees

✓ Chairman of Planning Commission : Super Cabinet

✓ PMO → like U.S. Prez's Executive office

- ✓ PMO: nerve centre of power
- ✓ But → always on strict trial, badgered by opposition, has to face Parliament, criticism,
- ✓ not a dictator: democratically chosen leader
- ✓ For healthy democracy: mechanisms of accountability and conduits of answerability must be established between the PM ~~and the~~ with all his extra constitutional power ^{sources} ~~element~~ on one end and the Parliament at the other as the supreme body of representatives of "We, the people" as envisaged in our constitution.

Q: "The veto-power of the Indian President is a combination of the absolute, suspensive and pocket veto." Comment.

Ans. ✓ non-money bills : suspensive veto
 ✓ bills influencing high courts, compulsory acquisition of property, violation of union law : absolute veto
 ✓ no time limit for assent given by constitution : pocket veto

Q: "Presidents of India prior to the passage of 42AA & 44AA could afford to be more assertive."

Ans. ✓ Though it was apparent from the Const. As. debates that the Prez would be a constitutional figure head and act upon in consultation with COM, 42AA & 44AA put the lid on the debate

✓ 42AA : "shall" act in accordance with the advice tendered by COM

✓ 44AA : can send bill for reconsideration after making objections known, but has to sign the second time. before these amendments:

✓ Rajendra Prasad : Hindu Code Bill ; differences with Nehru

✓ V.V. Reddy : 1969 : "shall not be a rubber stamp".

✓ In 1975 : F.A. Ahmed signed proclamation of Emergency on PM's behalf.

✓ 44AA : can't decide on personal discretion : can proclaim emergency only upon receipt of written approval of Cabinet.

Q: "In the context of liberalization, the role of Public Sector and its welfarist approach is being drastically changed." Elucidate.

Ans ✓ Concepts and mechanisms that have emerged as a conseq. of LPG: originated in Developed Countries, e.g. NPM and reinventing Govt.

✓ Based on western precepts, more suited to their socio economic and cultural milieu.

✓ problems of implementation in vastly different non-western contexts.

✓ economic dimension: key element

✓ hallmarks of changes: Privatization of public services, rightizing of govt., efficiency, effectiveness, transparency, productivity

✓ ↑ public-private interaction. e.g. U.K. secondments and joint training programmes. → personnel development

✓ Australia, NZ: marketization; contestability, contractualism & competition → mechanisms to reduce scope of public sector

✓ HK → privatization, promotion of divestiture

✓ Malaysia, Singapore

→ Add content from paper-1.

Q: "Despite all the powers he has, the Indian PM can not become a dictator." Comment.

Ans: ✓ Overwhelming power: Sum around which ministers revolve as planets. — Ivor Jennings; "Lynch Pin of the Govt."
— J.L. Nehru; "Pivot of the system of Govt." — Harold Laski "

• But ✓ checks and balances in place

- ✓ opposition, Parliament
- ✓ vigilant & vibrant democracy (Lokpal episode is a case in point)
- ✓ aware & active civil society
- ✓ Judiciary — strike down Acts ultra vires the constitution (or unconstitutional actions)
- ✓ harried by dissatisfied segments of his party

Q: "The steady expansion and the gradual decline of the public sector has been one of the most conspicuous development in post-Independence India." Discuss this statement and suggest measures to arrest the decline of the public sector in India.

Ans. ✓ Key role in Indian economy

- reasons for establishment & expansion - self Reliance
 - ✓ give boost to ailing economy, establish industries, large capital needed was unavailable in the nascent pvt. sector
- ✓ Removal of regional & income inequalities
- ✓ Source of funds for economic development
- ✓ Socialist pattern of society
- ✓ preventing monopolies & restrictive trade practices
 - steel plants at Bhilai, Durgapur, Rourkela, Bokaro
- ✓ Americans wanted Bokaro plant to be in Pvt. Sector
 - ↳ JRD Tata replied pvt. sector not in position to mobilize 700 Cr.
- ✓ Capital formation → mobilize public savings & channelize them for Industrial development.

✓ Achievements: multiplier effect for diversified & sustained growth, dev of backward regions, employment: model Employer, Contribution to exchequer, Import Substitution and indigenisation, Forex Earning, Development of small scale Ancillary industries, Manpower Development, Distribution of wealth

✓ Causes of decline: lack of autonomy, lack of professional management, faulty financial planning, underutilization of capacity, poor labour relations, heavy overloads, no definite pricing policy, long gestation periods.

✓ Impact of LPG: rolling back of state, NPM → NEP 1991 — disinvestment, Disinvestment Commission - 1996,

✓ State enterprises: BIFR

Suggestions for improvement/arresting decline:

✓ ~~Propp~~ Proper planning → clear R&R / TOR

✓ Professional mgmt.

✓ Operational autonomy

✓ Sound manpower mgmt.

✓ Adequate controls

✓ Clear cut pricing policy

Some models that have been worked out in countries, like HK, Malaysia, etc. could be tried out -

Contestability, contractualism, marketization,

↑ competition

COUNCIL OF MINISTERS, PARLIAMENT, SC, JUDICIAL REVIEW, ACTIVISM, Cabinet Committee

Date _____

Q: Does the emergence of an Empowered Group of Ministers at the Central Level impair the doctrine of Cabinet responsibility?

Ans: ✓ EGoM aims to expedite work on Govt. projects without impairing the doctrine of Cabinet Responsibility.

✓ a result of recom of B.K. Chaturvedi Commission appointed by the PM

✓ Many Cabinet Ministers are members of EGoM

✓ EGoM's Constitution ^{approved} ~~decided~~ by the Cabinet.

✓ EGoM's success planned to be emulated in States

✓ It is expeditious and supportive rather than in conflict

Q: "...Judges and Courts have creatively reinterpreted their statutory authority & expanded their own power & enhanced their standing vis-à-vis the legislature & executive." Critically examine this statement.

Ans: ✓ The statement points towards the general refrain amongst the critics of "judicial activism". — Munir said about statement

✓ Allegations of Judiciary overstepping its mandate and intruding into the realms constitutionally reserved for executive & legislature

(✓ Justice Krishna Iyer: "Every Judge is an activist either in forward gear or reverse" → latter is labelled JA)

✓ India: two forms: directions issued to Govt. authorities, (recent direction towards distribution of rotting grain), and interpretation of FRs: doctrine of Basic Structure

✓ Critics point out: lack of competence, activism at the expense of normal adjudicatory works,

✓ But: many constitutional experts: JA fills the vacuum that non-activism of other institutions creates.

✓ When custodians themselves compromise with corruption or politicise it → systematic failure / "Fence eating Crops"
⇒ Judiciary has to step in

✓ Judiciary: Custodian of the Constitution; last bastion of hope for the people when legislature & executive fail to live up to their constitutionally mandated duties.

✓ Justice Ahmadi: JA thrust upon the Judiciary; it is temporary, should not assume hues of Judicial populism or verge on Judicial Adventurism

✓ ~~But~~ JA made it possible for scams like hawala, fodder, etc come out in the open and the culprits brought to book.

✓ Justice Verma: role not usurped; just intend to make

executive work. Deft handling needed: JA is a scalpel in a surgeon's hands, not a Rampuri which can kill.

✓ Justice Verma: exemplary role in Jai Hawala Case.

✓ Other instances: 1980: Bihar Undestrals case, 2005 SC decision declaring unconstitutional the dissolution of Bihar Assembly, directive to Delhi Govt. to ramp transport, CNG Buses, recent SIT set up to investigate Black Money stashed in havens abroad, hauled up Delhi Police for slow progress on Cash for Vote scams, etc. → now culprits are being brought to book. (Amar Singh)

✓ Voice for judicial restraint also came from SC: 2007

✓ Charge of "Judicial Activism" has become stale and strident

✓ Judicial Activism is alright as it protects the public from the despotism of the Executive, but it must not lead to government by the Judiciary.

// In this question, it is necessary to mention the evolution of the doctrine of 'Basic Structure' through few important cases like Golak Nath, Kesavanand Bharti, Mimerva Mills, Cooper, Mamata, etc. //

✓ Tussle b/m govt. and Judiciary in the 1970's (Indira's policies.)

Q: "The Estimates committee is - 'a continuous economy committee.'" Comment.

Ans. ✓ Standing Committee of Parliament

✓ function: suggest economy, improvements in org, and efficiency or admin. reforms which can be effected in consistence with the policy underlying the estimates. (submitted by various Ministries/Depts.)

✓ acts as continuous economy committee? and its criticisms and suggestions act as deterrent on extravagance in public expenditure.

- Suggest alternative policy for efficiency,
- Examine if money is well laid out within policy limits
- suggest form in which estimates shall be presented to parliament

Q: "Questions represent a powerful technique of parliamentary control over expenditure."

Ans. ✓ powerful technique; any act of Govt. can be questioned

✓ minister answers, answers actually prepared by officials

✓ keeps department on its toes; meticulous record keeping, any trivial detail may be asked

✓ potent weapon to focus attention on failures, abuse of authority or grievances of people

✓ starred, unstarred, short notice questions

✓ Committee on Assurances notes any assurances made and submits reports of subsequent progress

Cabinet Secretariat, PMO, Central Secretariat, Ministries & Departments,
Boards and Commissions, PLANNING & PRIORITIES. Date _____

Q: The Planning Commission is "an armchair advisor." Explain the context & perspectives.

Ans. ✓ Kamal Nath — Montek Spat

- ✓ raised the question of relevance of Planning Commission.
- ✓ Kamal: PC oblivious to ground realities.

Q: The Planning Commission should reinvent itself as a systems reforms commission in the backdrop of changed global and domestic scenarios.

Ans : ✓ Manmohan's statement

- ✓ N.C. Saxena: PC should transform itself from input controller to output monitor.
- ✓ PC had said Nath's ministry was being over ambitious in its plan to build 20km of roads every day
- ✓ PC should address complaints of delays, budget cuts
- ✓ Systems change role: provide consultancy within govt. for developing better systems, creation of appropriate self managed organisations leading to efficient utilisation of resources.
- ✓ criticisms: K.M. Munshi, 1959: "Nominated Super Cabinet"
- ✓ grants under Art 275 ↓ (made on recos of PC)
- under Art 262 ↑ (discretionary grants) ⇒ central control ↑↑ on PC recos

- ✓ ↑ liberalization $\Rightarrow$ planning has become indicative rather than imperative.
- ✓ 8th Plan $\rightarrow$ Human Development; wake of NEP
- ✓ integrated approach, holistic planning more relevant in the evolving scenario
- ✓ PC is key as leaving issues to sectoral ministries runs the danger of the interlinkages and synergies being overlooked.
- ★ Changed global & domestic scenario: resources limited; emphasis should be on efficiency of utilization of the allocations made $\rightarrow$ plan priorities to be set accordingly. PC to play mediatory role keeping interest of all concerned in view.
- ✓ Ensure smooth management of the change and help in creating a culture of high productivity and efficiency in govt.

Q: Examine the role of the Finance Ministry of the Union Govt. in designing and implementing monetary and fiscal policies.

Fiscal

Ans: Budget Division : DEA : Preparation, submission, getting sanction of Parliament ; Monitoring fiscal position of Central Govt. ; Regulating flow of expenditure of Govt. → ~~prop~~ processing proposals of other Ministries & Depts for reappropriation of savings in a Grant where prior approval of FinMin is required,
Matters related to taxes : Dept of Revenue : CBDT, CBEC

Monetary Policy : RBI plays key role

Q: "Parliamentary Departmental Committees have played their role effectively in analyzing the demand for grants." Evaluate.

Ans: 1993 - 17 dept. related joint standing committees, 45 members each (30+15). Ministers not eligible

- ✓ examine & discuss in detail the budget proposals of relevant ministries
- ✓ fuller examination & scrutiny of bills and grants
- ✓ relieving pressure on Parliament's time
- ✓ discussion on non partisan lines, unlike ⁱⁿ charged atmosphere in the houses.
- ✓ 2004 → 24 committees (DRSC), 31 each (21+10) (16+8)

Q: "In spite of having constitutional status the DPC isn't able to implement decentralised planning due to centralised nature of economic planning." Comment.

Ans: ✓ Art 243 ZD: DPC

- ✓ States dragging their feet, after repeated requests by M/o Panchayati Raj, DPCs not constituted in many states like Gujarat, UP, Punjab, Maha, Jharkhand, etc.
- ✓ Planning done in piecemeal manner. Integration of GP plans into DP → mere summation and not synergistic integration.
- ✓ overburdened or illequipped staff

✓ Rajeev Gandhi: 15 paise out of every rupee spent on plan implementation reaches the people //

other problems with plan implementation:

- ✓ lack of awareness among people
- ✓ Character of officials involved (incompetence / overburdened)
- ✓ insufficient supervision / evaluation
- ✓ Siphoning off of grants / funds at various levels: CORRUPTION
e.g. recent reports on MGNREGA, NRHM

Q: "A strong PMO is a salvation for any Indian Prime Minister, but concentration of power is a danger to democracy." Comment.

Ans. ✓ J.L. Nehru: "set a healthy precedent for functioning of the PMS; downgraded post of his PRS to JS level ensuring clear authority and precedent of Cabinet Secy"

✓ Shastri: brought L.K. Jha as head of PMO → power of PMO! Jha was omnipresent!

✓ Indira: PMO emerged as kingpin of political system

P.N. Haksar: 1967 → PMO centre of power

e.g. Planning & execution of Bangladesh war, abolition of privy purses, nationalization of Banks. PMO relegated Cabinet Secretariat into obscurity. 1971: RAW added to PMS!

✓ Emergency, bureaucratic excesses: dimmed PMS's image

✓ Tamara Govt: efforts to reduce importance, PMS → PMO

✓ Under Vajpayee, Brajesh Mishra: cut to size

✓ It's a staff agency, & its line functions are inconsistent with the Secretariat system.

✓ It should only be a highly professional body rendering free and fair advice to the PM.

Q: "The Cabinet Secretariat provides the eyes and ears for the PM to keep in touch with the process of official business in Central Govt." Comment.

// DPQ receives grievances too //

Ans: ✓ 1935: Viceroy's Pvt. Secy. given additional charge of Secy to Exec. Council → Cabinet Secretariat (1946, interim Govt.)

✓ function: Secretarial assistance to the Cabinet, its committees and ad-hoc group of ministers.

✓ agenda of meetings, inter ministerial coordination, committees of secretaries,

✓ monthly summary of activities of Min & Deps to Pres, VP & Ministers.

✓ Monitoring, coordination, promoting new policy initiatives

✓ S.S. Kher (former Cabinet Secy): CS provides eyes and ears of the PM... But he is in no sense the watch dog or investigator on behalf of the PM... CS is a very general staff function. His business is to help, not to oversee.

✓ Serves as a link b/m political & admin processes

✓ Transaction of Biz Rules: Secys keep Cabinet Secy informed
Cabinet Secy keeps CM informed.

Q: "PAC conducts a post-mortem examination of Public Accounts."

True but it has deterrent effect for the future

Ans: ✓ Oldest finance committee, 15+9, ministers can't be members; by convention opposition MP is chairman.
e.g. Murli Manohar Joshi

- ✓ ascertain whether money granted by Parliament has spent "within scope of demand"
- ✓ Appropriation accounts of Govt. & audit report of CAG examined
- ✓ losses, nugatory expenditure & financial irregularities come under severe criticism.
- ✓ But → "after" expenditure has ~~taken place~~ been incurred
- ✓ not only from legal & formal point of view but also from point of view of economy, prudence, wisdom and propriety.
- ✓ recs are advisory not binding
- ✓ no say on policy
- ✓ cannot disallow expenditure by departments
- ✓ not an executive body → can't issue order

✓ Sidney Webb: "Just because post mortem examination cannot revive a dead patient to life is no proof that it can't prevent murders from happening in the future!"