

# Why the IAS must pack up and go and allow India to get a modern, efficient and accountable bureaucracy

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This compilation aims to bring together my reasons/ writings for insisting on a new bureaucracy for India. I have created this as part of my response to one of my batchmates about why I believe the IAS must go. Time permitting I will provide more details.



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# 1. A short history of public services in India and England

## 1.1 From Breaking Free of Nehru: Online Notes

The Indian system of public administration is thought to be one of the world's oldest, barring perhaps the Chinese. In 322 BC "Chandragupta ... established a complex bureaucracy to see to the operation of the state and a bureaucratic taxation system that financed public services".<sup>1</sup> Among the more recent advances in public services in India, the model of land revenue collection designed by Sher Shah Suri in the 1540s is acknowledged as a major milestone in systematic governance. The Sher Shah model was then adopted by the Mughals and later by their successor—the East India Company.

The East India Company was one of the world's oldest joint-stock companies; hence a pioneer. Like any good modern private company, it had built its own set of rules and procedures by 1757 to ensure that business policies laid down by its Board of Directors were complied with across its entire trading business. But after Clive's political triumph of 1757 at Plassey, the Company was faced with the entirely new challenge of governing vast numbers of people and extensive areas of land, initially only in Bengal. It became a private company that 'ruled' people: a unique combination. It had to quickly come up with policies to deal with this completely new role. The bureaucracy it invented in response to this challenge was perhaps the first modern bureaucracy in the world. This bureaucracy was not accountable to the whims of kings, but to a private company's Board of Directors; it developed as a private sector bureaucracy.

The Company started by creating a Covenanted Civil Service (CCS) whose members signed 'good behaviour covenants' with the Company's Court of Directors. With a view to keeping wage costs low, members of this service were paid relatively modestly but they could ply their own commercial business on the side and thus make commissions on their trading activities. As would be expected, this model led to serious conflicts of interest. Given the lucrative opportunities created by the political patronage of their commercial activities, corruption began to flourish in British Bengal. That Robert Clive was impeached (unsuccessfully) on this ground says something about the enormous possibilities of corruption at the confluence of India's feudal culture and a modern joint stock company which did not have checks and balances for its new role as a government.

The very concept of corruption being an impropriety was perhaps recognised for the first time in India at this stage. Officers had been expected to use their office to coerce villagers into submission in all previous monarchical regimes. The British officers' corruption was quite customary for India till then; no one thought it was improper. Chanakya had noted such natural tendencies among officers in his *Arthashastra* 2,400 years ago ("The *Mahamatras* are like fish. Does one know, when the fish is drinking water?").

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<sup>1</sup> John P. McKay, B.D. Hill and J. Buckler (1988). *A History of World Societies*. Vol. 1. Boston: Houghton Mifflin Co. p.74

However, the expectation from public officers was changing. The change started in England where the *Magna Carta* of 1215 instilled some discipline in the king's officers. The king of England agreed through this charter that 'No Constable nor other Bailiff of ours shall take the corn or other goods of any one, without instantly paying money for them.' This was revolutionary, as it created a new expectation that a public servant was only to live off his own salary.

Therefore the corruption in British Bengal was not commented upon adversely in India. It was in England that concerns were raised about it. The British Parliament took about a decade to make the *Regulating Act* of 1773. This Act created a Governor General for British India. A subsequent *India Act*, 1784 laid the specific principles of governance of India by the Company. **We cannot blame the British Parliament for taking so long to do something about corruption in India (it at least took some action: India's Parliament, on the other hand, actively encourages corruption!).** The British Parliament was relatively weak at that stage, and also unrepresentative. It was only in 1688 that it had gained the authority to continue to assemble without long interruptions imposed by British kings.

The second Governor General of British India, Lord Cornwallis (1786-93) seems to have laid the foundations of the modern Indian public services. He split the Company bureaucracy into two parts: the political branch responsible for civil governance, and the commercial branch responsible for its commercial activities. On entry, an officer of the East India Company had to opt for one of these branches. Commercial officers retained access to commissions on their trading activities. Those who opted for the political branch were compensated by Cornwallis through a significant hike in salary. With this, corruption came to a grinding halt in the higher echelons of British India's government. Till independence, these higher echelons would distinguish themselves by remaining spotlessly clean. Indeed, this continued well into the early years of independent India even as our politicians were starting to become super-corrupt.

The political branch attracted talented British middle-class youth with scholarly tastes and policy interests. Wonderful writers emerged from amongst them who penned elegant and largely accurate accounts of the lives of ordinary Indian peoples. In some cases, these civil servants proved pivotal in the development of local Indian dialects and languages. They compiled dictionaries; even created scripts. The role of the District Collector, perhaps found only in India, also further evolved and became the hub of British administration. This office was particularly important given the poor means of communication available in those days, with the attendant need to empower local officials to make decisions on the ground without waiting for prior approval.

To streamline the processes of administration, Cornwallis created a civil service manual as part of the *Charter Act*, 1793. Carrying on Cornwallis's foundational work, Lord Wellesley set up the Fort William College in Madras in 1800 to induct new entrants to the CCS. This college was moved to England in 1805 and became the Haileybury College. (A tidbit: among the teachers at Haileybury was the famous Thomas Malthus who was its first professor of Political Economy and taught British India's civil servants from 1805 till his death in 1834. They were also taught the latest economic and political thought, including Adam Smith.) The Lal Bahadur Shastri National Academy of Administration at Mussoorie continues the tradition established in 1800, imparting a two-year induction package to new recruits.

Given increasing concerns that appointments to the CCS by the board members of the Company were not made exclusively on merit, the Company threw the Indian civil service open to competition in 1853. This was a significant reform that even Britain would not implement in its own government for the next sixty years. In 1854, William Gladstone commissioned Northcote and Trevelyan to report on the future of the Civil Service in

England. They studied the British East India Office as a model, and a few other government offices in England and recommended that civil servants in England should also be recruited through an open competitive examination, and that promotions should be made on merit, not on the basis of seniority. The frequently cited precepts of an apolitical permanent career service, being not only recruited without political patronage but whose members offer impartial advice to the political leadership, arose from this report. When Gladstone became Prime Minister in 1868 he implemented some of these recommendations. Competitive entry started in England only in 1914.

In the meantime, the British India civil service had kept up its lead in public service reform. The *Indian Civil Service Act* was made in 1861. Next, the recommendations of the Public Service Commission of 1886-1887 were implemented. Later, in the 1910s, in response to Indian nationalists, the British allowed Indians to take the entrance examination for which they had to travel to England. From 1922, India was made an examination centre. The number of Indians in the ICS began to steadily rise. At the time of independence, in addition to the generalist civil service, the ICS, which provided high level governance functions, India had evolved nine other central services which managed specialist areas.

The point of sketching this history in some detail was to highlight that **by the mid-1800s, the Indian civil service was perhaps at the cutting edge of public administration in the world.** Regrettably, India's public services have stagnated since then while the rest of the world has continued to evolve and reform. The design of the IAS today is based almost entirely on the model of 1853. The most important public administration reforms in the world since then include the abolition of tenure in the top echelons of the public services, and bringing in significant political strategy alignment. Let's explore these changes.

# 2. Why is our Bureaucracy so Inept?

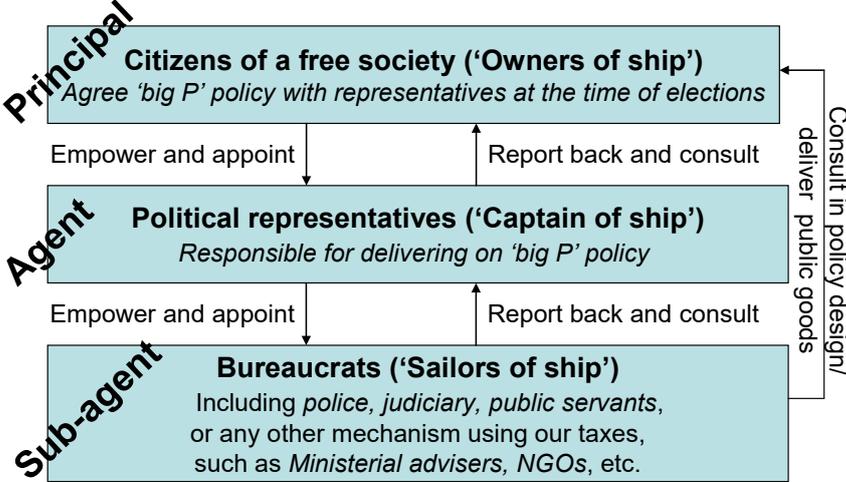
## 2.1 From Breaking Free of Nehru, Chapter 5

*The really basic thing in government is policy. Bad administration, to be sure, can destroy good policy, but good administration can never save bad policy.*

Adlai E Stevenson Jr<sup>i</sup>

We could, for convenience, visualize India as a large ship jointly owned by us, the citizens. Elected political representatives can then be likened to a captain hired to take this ship to a desired destination. Bureaucrats, the next layer of public managers, are its sailors. There is a wide range of Bureaucrats including public servants, defence forces, police and the judiciary. Our political representatives constitute our government and the Bureaucracy the machinery of the government. It is our political representatives’ task to design and use this machinery to deliver upon the agreed objectives for which we have hired them. Bureaucrats are directly accountable to our representatives and only indirectly to us.

This relationship between citizens, who are the sovereign principals in a free society, and their agents and sub-agents is depicted in the diagram below.



For a free society to have a good Bureaucracy is almost as important as having a good political leadership. But India’s bureaucracy falls well short of international best practice. Indeed, to say that our Bureaucracy is sloppy, sluggish, inefficient and therefore ineffective is perhaps an understatement. It won’t do us any good to get outstanding political leaders generated by the reforms outlined in the previous chapter and then force these leaders to use the shabby Indian bureaucracy to deliver results.

Having used the term Bureaucracy (do note the capital B, though) in an unusually broad sense so far, I’ll now revert the use of this word to its more common meaning, namely, as the public services. Within the Indian public services, I’ll focus almost entirely on public service leaders, primarily on the Indian Administrative Service (IAS). Pranab Bardhan, a well-known Indian economist, has rightly suggested that we should create a structural shift in the level of internal competition in the bureaucracy. ‘It is anomalous to expect [economic] reform to be carried out by an administrative setup that for many years has functioned as an inert, arbitrary, heavy-handed, often corrupt, uncoordinated, monolith. Economic reform is about competition and incentives, and a governmental machinery that does not itself allow

them in its own internal organization is an unconvincing proponent or carrier of that message.’<sup>ii</sup> To advance Bardhan’s perfect diagnosis, I will compare and contrast the Indian and Australian bureaucracies, having worked in them for a combined period of over 25 years.

The first thing to note is that the quality of personnel who hold leadership positions in Australia is significantly better than their Indian counterparts. This difference magnifies even further at the lower levels of the bureaucracy. Australian bureaucrats are significantly better in leadership skills and possess not only extensive specialist policy knowledge but also impeccable personal integrity. The Australian delivery of governance services is superior because its public service leaders are outstanding. By no means do I imply that public choice theory does not apply to Australia. Indeed, most civil servants here, as anywhere else, behave in a manner entirely consistent with such theory. But carefully designed incentives have ensured that their self-interest is aligned with the public interest. In particular, contractual appointments at the senior levels and absence of tenure ensures alignment with political representatives’ policy goals. Further, internal competition ensures that only the best public servants rise to the top.

In India, on the other hand, while we pay attention to the principles of competition and merit in assembling our cricket team, which is therefore internationally competitive and can even beat Australia on a good day, we do not apply such principles to our bureaucracy. This has led to the vast chasm that I have noted above in the performances of these two bureaucracies.

### **2.1.1 Are We Weak in Policy Design or Implementation?**

While bureaucratic leadership is obviously an issue, how does it impact performance? Does the poor performance of the Indian bureaucracy lie in bad policy or in poor implementation? Some commentators such as Paul Appleby and Gurcharan Das have suggested that poor implementation is a problem peculiar to India, and has allegedly arisen from a uniquely Indian trait of lack of action-mindedness. This view believes poor project management is the primary weaknesses of the Indian bureaucracy.

However, I don’t think there is some uniquely Indian trait we face. When Indians do decide upon something, they act effectively, as with India’s independence movement. Indian private sector performance, which is world class in many ways, also leads us to discount such notions, as does the outstanding performance of Indians who settle abroad. When faced with an improved system, the same ineffective Indians respond well and perform brilliantly. I agree that Indians haven’t displayed the action-mindedness needed in demanding freedom for their country and fixing the systemic problems discussed in this book, but that is because these issues have perhaps not been clearly explained to them earlier. Having said that, one can agree that poor project management is a major weakness in the Indian bureaucracy.

But the malaise starts elsewhere. I believe it starts with lack of systems thinking. Indians seem to be able to fit in beautifully into good systems designed by others, but rarely design good systems on their own. At least part of the blame for poor thinking skills must fall on our rote-based educational system which does not develop critical thinking. As a result the Indian bureaucracy fails most in policy conceptualization.

What kind of policy skills am I talking about? Both high level and operational. We elect our political representatives on the basis of their election commitments. These commitments, along with other policy choices that our political representatives make, can be said to constitute a nation’s ‘big P’ Policy. Given these Policies, a bureaucrat’s job is to design ‘small p’ policy, e.g. to:

- design the drafting instructions for relevant laws and regulations;
- examine the advantages and disadvantages of relevant options to implement the policies. This includes pointing out the risks of 'big P' policies. For instance, the design of import tariffs should specify the significant costs to the economy of having tariffs. The political representative is not obliged to agree with a bureaucrat's advice. If the political representative insists on continuing with bad Policy, then the bureaucrat's task is to design the least cost method of implementing bad Policy;
- translate Policy innovatively into manageable strategic chunks (programmes), and design measurable deliverables and performance indicators; and
- design the actual process to deliver these programmes, including tactical management through policies for building leadership and tactical skills.

In doing this work, policy skills of a very high order are required. Good policy is seamlessly deliverable as it takes into account all aspects of the delivery process. Through it, political decision-making and bureaucratic management skills align the political or strategic intent with tactical expertise. Good policy design mitigates most potential problems with implementation. In the end we don't have bad implementation; we only have bad policy. Lack of project management is, in the end, merely a policy gap, needing appropriate policies to ensure such skills are properly developed and sourced.

We have seen how India's 'big P' socialist Policy has been a total disaster. Since our socialist agenda was initiated by Nehru and his fellow-leaders, not by bureaucrats, we perhaps should not blame them for our bigger policy failures. In India's case, though, bureaucrats have played a much greater role in determining 'big P' Policy than is played by bureaucrats in developed countries, given that most of our politicians barely have any interest in policy, or at most the haziest idea of what they want to achieve. Therefore the failures of India's socialism have been considerably magnified by bad policy input from inept bureaucrats. In the end, policy which rolls out from New Delhi or state headquarters is, as a rule, not implementable.

Bad policy is policy that is unable to pierce the veil of incentives and predict, and therefore control, what will happen during implementation. Similarly, policy that believes that issuing an order or issuing a manual will get the job done is simply bad policy. The design of good policy maximizes the freedom of citizens while overcoming all reasonably foreseeable barriers to implementation.

Our 'small p' policies also fail to anticipate that lurking below each public servant – the person who will finally deliver the policy – is a full-fledged human being with predictable self-interested behaviour. Most of these self-interested behaviours are not, by any means, unethical – merely different from the public interest. While the self-interest of private citizens in the market leads to the amazing outcomes of coordination and efficiency discussed in Chapter 2, bureaucratic self-interest leads to the opposite results, of blocking freedom, of ineffectiveness, of needless paper work. The following reasons show why there is no natural method available to ensure effective outcomes inside a bureaucracy:

- The market creates incentives for private manufactures to produce the greatest possible quantity of goods and services, of the highest possible quality, at the cheapest possible cost. This means, among other things, using the least number of people to get a job done. On the other hand, it is in a bureaucrat's interest to produce the least amount of products, of the lowest product quality, at the greatest possible cost. This generally means using the largest possible number of people.
- A producer makes the greatest profit by keeping his costs down, whereas the bureaucrat receives the most profit (salary) by increasing the number of people that

report to him. Ineffective process design easily leads to more people being employed for each task, which, in turn, leads to a larger 'empire' for the bureaucrat, and to greater prestige.

- The bureaucrat faces almost no constraint of funds. A seemingly infinite pile of money is always to be found inside governments – money which is best attracted not by creating a small and efficient organization, but by creating a mammoth, inefficient one. It is in a bureaucrat's self-interest to complicate and confuse things so that more funds are always needed than are available. Bureaucrats complain, no matter how much money is poured into their organizations, that their ineffectiveness arises not from poor design but from inadequate funding; hence they need even more funding.
- The bottom-line (salary) of the bureaucrat does not depend on his performance being assessed by the 'market', in this case citizens. No matter how a bureaucrat performs, his salary is assured. A business will go bankrupt instantaneously if it fails to perform, but governments don't go bankrupt: they merely raise taxes or print more money. As a lifelong bureaucrat I know this strange feeling – of a huge amount of taxpayers' money waiting to be spent at the 'end of the year' without any direct feedback from the citizens on whether this money should be spent or returned to them. No producer can even dream of this strange feeling, because every rupee he spends returns with instantaneous feedback from the market.
- The producer's interest is to master his discipline and to keep acquiring knowledge, since that knowledge will convert into profits. The bureaucrat's interest, on the other hand, is to not undertake personal hard work or acquire knowledge. Instead, it is in his interest to delegate every possible task to others, including to 'consultants'. A producer therefore becomes smarter over time while a bureaucrat becomes shrewd, but also very ignorant and arrogant.
- If we want a bureaucrat to remove a particular evil, such as poverty, the bureaucrat is reluctant to do so because if the problem is removed, then his job becomes redundant. So he creates complexities, writes abstruse papers for conferences and generally confounds matters.
- While we pay the bureaucrat to advance our interests, it is quite likely that he is advancing sectarian interests on the sly; for instance, by hiring people only from his community. The complexity of the Indian economic, social and political environment creates a particularly high risk of bureaucrats serving interests different from the public interest.
- A range of local factors also impinge on a bureaucrat's incentives. Public servants working in remote small towns, development blocks or villages in India face very strong local pressures; even risks to their life. Being generally ill-paid, their financial privations play into the hands of corrupt local politicians and feudal interests. The bureaucrat can be readily 'bought' or pressurized.

A bureaucrat's self-interest therefore sits in complete opposition to the public interest in most instances. This must be factored into good policy design. In particular, far greater effort must be put on systems of internal competition and accountability in India than is necessary in developed countries. Large private companies have similar problems in keeping their managers in check, but they have learnt to minimize this problem through the use of modern agency theory. Similar models must be applied to the design of our bureaucracy so that policy design becomes effective.

### 2.1.2 The Shelter to Ineptitude Provided by the Constitution

But aren't IAS officers some of the finest minds of India? Wouldn't they all know about these policy constraints and work diligently to anticipate and resolve them? Unfortunately, barring a few exceptions, this is not the case. The problem does not lie with the innate ability of IAS officers but with their professional competence and suitability for the jobs they perform. It lies in the end with their rigid, tenure-based incentives. These sluggish incentives quickly drain out any aspiration, or even scope, for world-class performance. There is no passion, no hunger in the IAS to adopt the world's best practice; there are no rewards for outstanding policy advice and innovation; and there is no punishment for failure to deliver even the most basic outcomes. Instead, there are massive rewards for corruption and sycophancy.

Advanced countries have taken on board the latest advances and learnings of the past 40 years – from the literature of agency theory, public choice, knowledge management, innovation, human resource management and leadership – to build competitive, merit-based public service systems which are closely aligned to political representatives' strategies and which reward policy expertise and leadership. In doing so, these countries have overcome most of the innate problems which all bureaucracies face and have transformed their public servants into dynamic agents of change and excellence.

India needs such outstanding agents of change, motivated from within themselves to deliver us the world's best practice. But we are saddled with the antiquated public service model that the British bequeathed to us. Even that model, for whatever it was worth at one time, has become fetid upon coming into contact with our sectarian, caste-based and geocentric passions. Our stagnant and rotting model now stinks for miles and compares badly with the clear and fast flowing spring of dynamism found in the West.

This putrid build-up of bureaucratic toxins in India can be attributed to the hothouse provided to the IAS by our Constitution. It was Sardar Patel's idea to keep the old British ICS structure almost entirely intact, without requiring any review. 'Remove them [the ICS]', Patel argued, 'and I see nothing but a picture of chaos all over the country'. Nehru, who was not a fan of the ICS, did not have an alternative plan in mind. The Constituent Assembly thus created a very powerful sanctuary for the ICS and its successor all-India services through Articles 308–23 of the Constitution. Thus we came to be saddled with a bureaucratic machinery fully sheltered by the Constitution from any review or improvements.

While India was one of the few developing countries in 1947 that had a well-established bureaucracy and there is no doubt that Patel and Nehru were right in 1949 to stick with this bureaucratic machinery, they made two key mistakes: (a) embedding outdated public service structures directly into the Constitution – which is very hard to change, and (b) making no provision for a full review of the bureaucratic machinery in a few years' time. Today our hands are largely tied behind our backs. Our Constitution defines the public services effectively as permanent and tenured through Article 312. Further, the process for removal from office of a member of the all-India services is so cumbersome that these positions have become sinecures. While tedious due process and inquiry may be fine where corruption is alleged, what about sheer incompetence? Why are citizens required by the Constitution to keep paying for officers who are ineffective? What about the rights of taxpayers to get value for the taxes?

A better way for Nehru and Patel to have resolved their dilemma was by including an enabling provision in the Constitution for the creation of relevant public service legislation from time to time. That would have left each generation free to create appropriate structures with relevant details, making the public services structures flexible and responsive. Changing the Constitution is always hard, but it is made even more so by the impregnable wall of self-defence now built up by vested interests in the IAS and other

services. As a result, something that was a necessary evil in 1949 has become our bane. Our antiquated bureaucracy was designed for revenue collection and enforcement of law and order under a colonial administration. This so-called steel frame is ill-designed to deliver good governance in an environment marked by rapid change, dramatic gains in knowledge and specialization, and global competition. It is incapable of performing high level policy and project management roles since it is not a professional body but a feudal aristocracy.

Once the ICS (later IAS) became part of Nehru's socialist formula, boom times began for these services. The public sector grew rapidly and created many prized positions with perquisites which kept civil servants salivating in anticipation even as the buying power of their salaries dropped precipitously under socialist dispensation. The Fifth Pay Commission (1994–7) 'set right' some of this salary decline. However, Pay Commissions are not designed to deal with public service reforms. The real question before us should be: Higher salaries for what? Higher salaries without systematic reform will add little value to the people of India. Nevertheless, low salaries, combined with tenure and poor incentives, are a recipe for disaster.

In the meanwhile, Britain and many other free countries have innovated extensively and moved far away from the static models of the 1850s. If you are interested, I have summarized the history of public services in India and England over the past 150 years in the *Online Notes*,<sup>iii</sup> to show how, by the 1850s, the Indian civil service was perhaps at the cutting edge of public administration in the world. But also, very regrettably, India's public services have stagnated since then while the rest of the world has continued to evolve and reform. The most important public administration reforms in the world since then include the abolition of tenure in the top echelons of the public services and bringing about alignment with political strategy. Let's explore these changes.

### 2.1.3 The Agility of Modern Public Services

The more recent public service reforms originated in the UK and in Australia. The New Zealand reforms, which came in later, were more radical and influential internationally. Given my familiarity with Australian public services, I will focus primarily on Australian public administration reforms as an illustration of a modern public service. My exposition, based heavily on my experience, is biased towards issues which I believe are of particular relevance to India. The list I have drawn up below may therefore not match similar lists drawn up by academics.

At the outset we note that the Australian Constitution<sup>iv</sup> has been the great enabler of reform in Australia, unlike its Indian counterpart. It is much shorter and non-prescriptive and allows Australian governments to legislate on matters of relevant detail. Australia has therefore innovated extensively by periodically reviewing its public service legislation. England retains even greater agility in its law making process, not having a Constitution in the first place. Australia has therefore remade its administrative framework three times in the twentieth century through its Public Service Acts of 1902, 1922 and 1999, unlike India which has not reviewed its bureaucracy since the 1850s or so. These Public Service Acts provide the framework for the Australian Public Service (APS) at the Australian Commonwealth (the Commonwealth is the counterpart of the Indian Central Government). Its states have also enacted their own public administration legislation, each reviewed and modernized independently. The other important high-level difference to note at the outset is that there is no 'sharing' of senior executives between the states and centre (Commonwealth). Each unit of administration in Australia recruits its public servants independently.

The Australian Public Service Act of 1902 required open competitive examinations to recruit public servants wherever practicable. It also laid down the primacy of merit in

promotions. This sounds somewhat like the ICS of 1853. It created a Public Service Commissioner to inspect departments and promote efficiency. But over the years, the APS has diverged significantly from India's ICS-type system and has transformed itself 'from a centralised system with a complex classification structure based on permanent positions to a decentralised, simplified structure based on continuing employment and contracts' (Professor John Halligan).<sup>v</sup>

I have chosen to list nine key features of the APS below to contrast it with our fossilized IAS. These features show that flexibility and efficiency can be generated even within moribund public service institutions, and that we need not lose all hope for India! There does exist a better way to govern ourselves, if only we are willing to open our eyes.

### **2.1.3.1 Market Competitiveness of Remuneration**

In any free market (in this case we are talking of the labour market) we are likely to get what we pay for. The forces of competition invariably drive the price of each commodity down to the point which reflects its true underlying value. Not all people are equally capable; so the best indicator of their value is their price or salary. Private companies are aware that they have to pay a premium for high-quality talent. Similarly, to attract high quality talent, APS remuneration has always been based on 'market competitiveness'. Even at the senior levels, where it is not always practical to fully match private sector salaries, salaries are broadly comparable with the private sector. Senior public service managers in Australia are paid in the vicinity of Rs 1½ crores per year in equivalent dollars.

Indeed, the Whitlam Government of the early 1970s (in Australia) raised salaries and other work conditions of public servants to a level slightly above what purely competitive analysis would call for, so as to set an example for the community on good working conditions. 'In some instances, employment conditions improved in advance of community standards, including paid maternity leave, increased annual leave, the extension of annual leave loading, flexible working hours, and changes to workers compensation and long service leave.'<sup>vi</sup> Similarly, when pay competitiveness had eroded somewhat in the early 1980s, the Public Service Board reviewed salaries to ensure competitiveness with private sector salaries.

In the meanwhile, the discretion to offer different salaries to different public servants has increased significantly in the APS. In response to economic and technological change and the growth of specialization, the APS is now no longer treated as a single labour market with common employment standards. Each department and agency is empowered to develop its own remuneration policy within broad parameters. This means each department functions like an independent private sector company, attracting the best talent needed for its needs through flexible remuneration.

On the other hand, remuneration policy in India has been dictated like everything else not by common sense but by the ideology of Nehruvian socialism. Since equality is the be-all of the socialist model, the Cornwallis principle was reversed after independence and senior public service salaries were allowed to erode. This was done by fully compensating junior positions for inflation while senior executives were only partially compensated. According to the Fifth Pay Commission (1994–7) this 'erosion was a consequence of a deliberate policy followed for a long time under the mistaken impression that impoverishment of the higher bureaucracy was an essential ingredient of a socialist pattern of society'.

Second, in India, civil servants are always exhorted to sacrifice for the sake of the country. While it is true that good civil servants are not driven only by money, they do expect to be looked after reasonably well as acknowledgement of their contributions and for the management burden they shoulder. In any event, it is improper for civil servants (or

anyone else for that matter) to be asked to sacrifice. Indeed, the concept of sacrifice is anathema to a free society. A free citizen never sacrifices and never asks anyone for a sacrifice. If I were to have the occasion to save the life of a drowning child at the cost of my own, that would not be a sacrifice. Having voluntarily chosen such a course of action, possibly in a split second, I would have gained by setting a clear example of ethical behaviour for my children. What may appear to be altruism on the surface is often enlightened and reasoned selfishness – the ultimate virtue. Enlightened selfishness and so-called altruism merge seamlessly into one.<sup>vii</sup> As a general rule, each of us helps our society most by looking after ourselves and standing on our own feet. A free society is therefore only entitled to make an appeal to the self-interest of others.

#### 2.1.3.2 No Tenured Service at Senior Levels

For a while, higher positions in the civil services were drawn in Australia from the ranks of career officials with longer experience – similar to what happens in India today. But there is a huge difference between being competent and being experienced. Merely having worked for many years in government does not qualify a person to undertake all the senior roles that open up from time to time. In Australia, as with India, the principle of merit over seniority never worked as intended so long as people kept getting promoted in this manner. Therefore Australia identified tenure as a key barrier to merit.

Australia concluded in the main that senior managers, who have responsibility for large organizations or for large parts of their organizations, should not be tenured. Permanency dilutes responsiveness. It was decided that contractually hired senior managers must be paid very well but then held personally to account for their organization's performance, in the manner of private company chief executives. The Australian public service therefore has fixed term contractual appointments for its senior executives. Their continuation in their job is contingent on demonstrated value addition.

A digression to clarify two issues here.

- First, tenure may not always be a problem – particularly when appointments are made to specific positions at a professional level and these positions can be made redundant when necessary. Also, tenure is not inimical to merit up to a certain level. Tenured professors in USA are a world-class example of brilliance. Similarly, there are numerous tenured professional positions in Australia which do not suffer from the infirmities of tenure. For example, in the Victorian public services there are six tenured grades: VPS 1 to VPS 6. In these grades appointments are made to specific positions. There are no automatic rights to promotion merely because someone has put in a given number of years in a role. But importantly, tenure is notional, since redundancies are quite common. People can be asked to leave if their role changes or is no longer needed. Job security is not on offer even for such positions.
- Second, tenure seems to create the greatest problem when appointments are made to a 'service' and not to a specific position. In the IAS, people are appointed to a tenured service. Within this service they can be 'posted' to various roles, depending on their seniority. The key point is that they are not appointed to positions. Their appointment remains to their service. Every member of a tenured service system naturally expects to be promoted irrespective of competence. Such civil servants strongly resist the promotion of a fellow-member over the shoulder of others; animosities and disquiet can spread very fast. To minimize such consequences, tenured civil services usually marginalize only the obviously depraved or insane, with all others being 'kicked up' the ladder at the predetermined chimes of the clock.

In Australia, on the other hand, the concept of a tenured service simply does not exist; it perhaps never did. Even though APS stands for Australian Public Service, it is not a service in

the sense that the IAS is. It is best seen as a framework for appointments. To make these distinctions clear I have scanned relevant documents from my own life and placed them on the internet<sup>viii</sup> to give real-life examples of:

- appointment to a tenured service (IAS);
- posting of officers of tenured services (IAS); and
- appointment to a non-tenured contractual public sector position (Australia).

Back to the APS reforms. Their reform started at the top, at the level of secretaries. The 1994 amendment of the Public Service Act 1922 provided for fixed-term appointments of secretaries. Most existing secretaries were then transitioned to five year contracts with performance measures and deliverables agreed to by the political executive. These secretaries were given a significant increase in salary in lieu of the loss of tenure. Since 1999, individual workplace agreements (contracts) using performance linked indicators have been widely used across the executive service, including a wide range of senior positions below those of secretary. A slight shift has recently occurred – from appointments to positions, to appointments to a ‘level’ – at the senior levels. This retains the advantage of the contractual appointment system while making it more convenient to respond to changes to the machinery of government, such as departmental reorganization.

It is true that not all senior positions in India have been taken from the IAS or other civil services. We have had ‘outsiders’ too, like Montek Singh Ahluwalia and Vijay Kelkar in the Finance Ministry. But these are exceptions to the rule. I am not aware, though, if these people were recruited through an open, contestable process. For most positions in India, though, the sheer number of years that a person warms a chair matters the most, not whether the person has produced anything world-class while occupying that chair. As a rule, senior positions in India are filled by drawing lots out of an ‘empanelled’ pool of officers – people deemed to be eligible on the basis primarily of seniority but also a few notional merit-related criteria.

#### **2.1.3.3 Open Market Recruitment by Application for each Position**

People don’t get transferred from one post to another in the APS. ‘Mobility is generally at the discretion of the individual officer: they choose whether or not to apply for promotion, and which agency and location.’<sup>ix</sup> This feature is crucial in minimizing the potential damage caused by tenure, since tenured positions have no rights to move from post to post (except at the non-tenured senior executive levels where appointments are now to a ‘level’).

All public servants in Australia therefore have to market their skills by applying for each individual position they seek. Recruitments are made through a decentralized system, not a public service commission. Candidates have to address specific selection criteria based on that role’s core competencies. Then they are interviewed (if short-listed) by a selection panel of about three people from the organization. The appointing manager chairs the panel and is the final authority to recruit. This is a very important point. As managers directly face the consequences of bad recruitment, they try their best to recruit the very best person they can. It is not worthwhile for them to let their personal biases intrude into the selection process; therefore the best candidate generally gets the job. On the other hand, recruitment is extremely problematic in India, particularly in the states. State public service commissions are renowned for corruption (this bleak situation does not apply to the Union Public Service Commission which recruits the IAS and central services).

A great advantage of open market entry to specific positions, when coupled with competitive salaries, is that the APS is open to talented private sector managers as well. High-quality consultants from large consulting companies are often recruited to top positions in the public services. The obverse holds true, as well. Many public sector

managers switch in the middle of their career to private companies. This exchange of world's best management practices adds significantly to the efficiency of the government services.

This open method without any age limit or retirement age also means that new migrants are treated almost entirely on par with local candidates in the recruitment process. The best people among those who apply are recruited, irrespective of their age or where they come from. Yes, there are periodic reports in the press in Australia about stereotyping of new immigrants based on misconceptions or generalizations about their language skills. It is said that some highly qualified candidates do not always get a foothold. Another problem is when potential employers do not care to contact referees from other countries. But in the same vein, elderly Australians and women also find it harder to get jobs in this system. Making detailed applications for tens of positions, including addressing selection criteria in great detail, can also be a very painful process for migrants and older candidates. But if one prepares well for a well-selected role, there is a good chance of being successful.

Let me give my own example. Had I migrated to India as an Australian citizen at age 41 (the age at which I came to Australia), I could never have entered government service at all for two reasons:

- no open recruitment is undertaken in India at that age; and
- non-citizens are not allowed to work in government in India anyway (in Australia, non-citizens are able to work in state government departments).

However, not only did I get a research job based on my technical statistical skills (nobody would consider me at the management level at that point!), but I was able to move into a management role after about three years. While this highly decentralized system can neglect the best candidate in some cases, on balance it seems to perform very well. At least until a demonstrably better system of recruitment and promotion by merit can be found, I believe India will do well to adopt this system entirely for its public services. Of course, numerous changes will have to be made before such a system can be implemented.

#### **2.1.3.4 Flexible Arrangements for Retirement Savings**

One of the less widely known but extremely powerful drivers of the exchange of managerial talent between the public and private sectors in Australia is the system to save for retirement.

#### **Indian Retirement System**

In the Indian public services, eligibility for pensions begins only after a person completes 20 years of (qualifying) service. Thereafter, the government pays a certain proportion of the last salary drawn as a pension for life, as well as a lump-sum gratuity. In addition, there is a General Provident Fund (GPF) to which an IAS officer must mandatorily contribute at least 6 per cent of his salary at a fixed rate of interest. This fund can be used for contingencies leading up to retirement.

The key problem with this system is its great rigidity. It blocks the free flow of managerial and professional talent across the public and private sectors. For instance, most IAS officers who would have liked to gain private sector experience have no choice but to wait to complete 20 years and take voluntary retirement. On the one hand, they can't return to public services if they resign prior to that, since no new recruitment takes place after the initial examinations. On the other hand, they cannot leave before 20 years without losing considerable benefits (as I have lost, for instance). These principles completely prevent the intermingling of experience between the public and private sectors in India. And after working exclusively in a tenured, low-performance public service for 20 years, even the high quality talent that is recruited into the IAS becomes valueless to the private sector. So if they

were not 'brave' enough to get out by after seven to ten years, they are essentially stuck to perpetual mediocrity for life – and they can become very cynical about life. Very sour.

### **Australian Retirement System**

On the other hand, in Australia, public servants do not get any pension.<sup>x</sup> Instead, everyone in Australia, irrespective of the sector in which they work, can draw annuities upon retirement from their privately managed superannuation fund, based on the actual contributions made to this fund during their lifetime. Two types of contributions can be made to this fund:

- *Employer contributions:* Since 1992 employers are compulsorily required to contribute (a minimum of) 9 per cent of the wages of an employee into a fund selected by the employee. This is treated as an employee contribution for tax purposes.
- *Employee contributions:* Both the employee and employer can contribute beyond the mandated minimum; there are tax benefits for such contributions.

This forms a system of compulsory employee saving. Here we could well ask: why can't people be left free to save for themselves in a free society for their own retirement needs? (noting that GPF also acts as a compulsory saving.) Such coercive savings seem to violate the principles of freedom. And yet, if we add the argument of equality of opportunity, things become clearer. A free society's government necessarily has to pick up the tab for any employee who falls below the poverty line after retirement; at least to bring that person above the poverty line. That creates a situation of moral hazard whereby some people may intentionally save insufficient amounts given that the government will always pick up the tab if they become poor. By forcing people to save at least a minimum amount through the superannuation system, a reasonable compromise is achieved. But leaving aside the question of whether this system of forced savings can be justified in a free society, it also has great practical merit. It enables people to move freely between the private and public sectors without any loss of retirement benefits. That is a great boon to the Australian economy.

#### **2.1.3.5 Graduate Intake into Specific Positions, Not into a 'Service'**

Similar on the surface to recruitment into the IAS, graduate recruitment programmes in the Australian public services take in some of the best graduates available in the country or state after a gruelling system of tests and interviews (noting that there is no minimum or maximum age requirement, and final selection decision rests with the relevant departmental manager). Recruits are provided an on-the-job training for one year through job rotation in different roles in different departments, as well as induction which is provided by professional trainers hired by the public service authorities.<sup>xi</sup> But the system diverges radically after that from the Indian one.

After the twelve months, those who meet requirements are confirmed into a junior professional (tenured) position in their recruiting department. Alternatively, the better ones are 'bid' up, i.e. paid more, and picked up by competing departments. At that stage they earn approximately what a new school teacher gets. Many of these recruits choose not to continue with the government and move permanently into the private sector. Others try out the private sector a few years later and then possibly return again to the public sector, later; given the complete flexibility of the labour market.

Most relevant to India, this system does not guarantee promotions to the freshly appointed recruits. As appointments are made to particular positions, not to a service, these recruits cannot move into senior executive positions as a matter of right like in the IAS. On the other hand, those who are ambitious and competent advance very rapidly into senior executive roles even within ten years, unlike in India where it could take up to 20 years to

reach similar levels of responsibility. In that sense there is no 'ladder' to climb here, rung by rung; only a rope that anyone can scramble up as quickly as their competence and ambition lets them. Some secretaries to the government here, with responsibilities equivalent to that of as many as five secretaries to the Government of India, combined, could be as young as 38 or less, while Deputy Secretaries, with responsibilities comparable to those of five Joint Secretaries in the Government of India, combined could be as young as 35. From day one, it is clear to everyone that their future in the public services is determined exclusively by their own effort and merit, not by any automatic chain of progression of every 'batch'.

#### **2.1.3.6 Extensive Delegation of Responsibility**

Australian governments have very few departments. Each of them is extremely large and managed by a single secretary. The Australian Government has 18 departments. The Victorian Government has only 10. These extremely few departments are based on the concept of span of control, which makes for a more coherent and functional government. The Australian cabinet also comprises 18–20 ministers only.

In comparison, the Indian Government has over 50 ministries/ departments, and even the tiny state of Meghalaya maintains about 50 departments! More problematically, there is more than one secretary in many ministries or departments in various governments in India, thus creating more than 100 secretaries per government. If, to this large number we add the rigmarole of principal secretaries, commissioners and secretaries, additional secretaries, joint secretaries, directors, deputy secretaries and under secretaries, then the number of senior executives in India quickly multiplies into the tens of thousands across the country. (Fortunately, the number of secretaries in small states like Meghalaya is fewer, since many hold charge of more than one department.)

The reason why Australia is able to manage with so few departments and senior executives is that, first, these senior executives are far more competent and productive than their Indian counterparts and, second, because they are able to delegate extensively within their departments. This delegation is made possible because secretaries directly recruit individuals who report to them. This first-hand knowledge of the calibre of their direct reports gives them the confidence to leave them alone to perform their jobs; micro-management is not needed. The secretary is able to devote time to strategic thinking and people development since everyone is competent for his or her level.

At professional levels below the executive, there is a solid base of analytical and writing skills in each Australian department. Policy specialists are hired in far greater proportions in Australia than in India. For example, there are over 100 high quality economists in the Victorian Department of Treasury and Finance, apart from nearly 100 finance professionals like chartered accountants. Other departments also hire high calibre economists and policy specialists. Each Victorian policy is thus carefully reviewed for compatibility with the principles of the relevant specialization as well as economic principles to ensure the best outcome for the state. In comparison, the state of Assam, where I have also worked, has probably ten modestly skilled economists between its two main Departments of Finance and Planning & Development. A strong base of highly skilled policy specialists gives senior executives in Australia the confidence to delegate far down the chain.

As a result, Australian departments are middle-heavy, unlike in India where they are top-heavy. Most senior executive positions in Australia are clustered at the Director level or lower, i.e. at the operational end. (By no means is a Director a junior position; their responsibility and pay is comparable to that of general managers in large private sector firms). This extensive delegation of responsibility also leads to great agility. Directors, or even Assistant Directors, advised by knowledgeable professionals, are empowered to

directly brief Ministers on matters of relatively small policy impact without having to ‘go through’ the secretary. It can therefore take only five to ten minutes for a completed policy briefing that may have taken ten days to prepare, to be delivered to the Minister’s office electronically, followed by the hand delivery of the hard copy with signatures from a couple of relevant officials. And of course there is no peon here! Officers take the signed policy briefings directly to Ministers’ offices. As a result, no paperwork sits for weeks or even months on any officer’s desk as it does in India.

### 2.1.3.7 Contestability of Policy Advice to Political Leaders

By the 1970s, the bureaucracy in Australia was being seen as being ‘too elitist, too independent, too unrepresentative and insufficiently responsive’.<sup>xii</sup> It was the sole provider of ‘small p’ policy advice to Ministers and much of that advice was precedent-based which merely helped to reinforce entrenched bureaucratic practice. The world-leading reforms of the 1970s and 1980s in Australia marked a move away from bureaucratic monopoly over policy advice. As John Halligan notes:

The reaction of Labour governments, in particular, Whitlam’s (1972–75), and Hawke’s (1983–92), was to challenge the public servants’ monopoly over advice to ministers and to question their indispensability to the processes of government. The direction was made explicit in the White Paper Reforming the Australian Public Service (1983): ‘the balance of power and influence has tipped too far in favour of permanent rather than elected office holders’.<sup>xiii</sup>

A moment’s reflection will show us that the delivery of a government’s policy or election commitments does not require a permanent civil service, or even a civil service at all. Anyone, and any organizational form that can best deliver results, will do. After all, as Alexander Pope said:

For forms of government let fools contest;  
Whate’er is best administer’d is best:

The diagram in the beginning of this chapter shows that public services are, in the theoretical sense, merely one of the many alternative vehicles for the delivery of policy. Reverting to the metaphor of a ship and ship’s captain, we – the country’s (ship’s) owners – first hire a government (i.e. the ship’s captain). The captain should then be completely free to hire whomsoever he wishes to advise him and manage the ship’s day-to-day logistics. After all, the agreement is with the captain. We don’t care whom a captain hires so long as he gets us to the destination.

And so, there is no inherent virtue in policy neutrality at the senior levels in a civil service. A political party elected to government needs specialist leadership best suited to delivering its election commitments. If that means finding people with a strong understanding of the theory and practice of freedom, as would be the case if a liberal political party were to get elected in India, so be it. Bureaucrats or advisers who can best operationalize the delivery of freedom to us must then be found. In any event, no political leadership, even socialist, should be constrained in selecting its managers only from among a tenured service like the IAS comprising largely fumbling socialist die-hards who have never opened a book on policy after their initial training at the Academy.

Further, the proponents of an ‘impartial’ public service presume, rather disingenuously – even dangerously – an independent role for the unelected bureaucracy in determining the public interest. Bureaucrats are at best our sub-agents, only indirectly accountable to us through our political representatives. We must therefore leave it to our agents to decide whether they want to use them or hire alternative sub-agents. In any event, they can’t be given any independence. We need to monitor bureaucrats closely, not flatter them by

saying they should be independent. We must ensure a clear line of sight for accountability in a democratic political system. It is only by handing over the full control over bureaucrats to our chosen political representatives that we can precisely attribute the success or failure of policy outcomes to our representatives. If a ship hits an iceberg and sinks, we clearly know whom to blame – the captain of the ship. Sailors are mere tools of the captain. Politicians should not be in a position to excuse themselves from responsibility by taking the plea that they were ‘saddled with’ an unresponsive bureaucracy. Hey! Change it anyway you like and make it work! We only care for results and nothing else!

The modern governance system therefore empowers politicians to undertake radical surgery, if necessary, to fix bureaucratic incompetence, sluggishness or policy incompatibility. (If you are interested, I have provided a further discussion of this issue in the *Online Notes*.<sup>xiv</sup>)

#### 2.1.3.8 Access to the Latest Technology, Information and Training

The strategies in place to build capability in the public services in Australia leave the Indian public service system in the dust and adds to the vast gap between the performance of the two services. Australian bureaucrats are provided with the latest information and high quality training, even coaching. No matter how good individual players in a cricket team might be, and no matter how good their captain, we can't expect them to go very far – unless we choose to live in the Bollywood fictional world of *Lagaan* – without the best quality cricketing equipment and coaching. When a matter as important as delivering outstanding governance is at stake, there should be no compromise. The following points need to be noted:

- Access to up-to-date electronic databases is crucial for the development of competent policy advice. I have listed some of the databases available to Australian public servants in Appendix 5 of the *Online Notes*.
- Constant efforts are made to upgrade the skills and capability of public servants. Literally hundreds of specialized training courses are on offer to choose from. I am particularly impressed by the continuous improvement network<sup>xv</sup> that brings in people like Edward de Bono, the well-known teacher of creative thinking, to talk to groups of public servants. Participation in the network is voluntary.
- Partial funding as well as leave from work for pursuing higher degrees from outstanding Australian universities is also available, depending on the organization's needs, to public servants who display ambition, competence and commitment. Each public servant is enabled to go as far as he or she wishes to go, or can.
- Not only are the departmental libraries well stocked, but are managed by expert Reference Librarians, who are able to obtain a copy of practically any book published anywhere in the world within a week or two.

This phenomenal access to knowledge contrasts sadly with the information vacuum experienced by public servants in India. Exceptions notwithstanding, access to knowledge is neither sought, nor expected, nor therefore made available to Indian bureaucrats. The following are two illustrative examples:

- a) In 1999 and 2000 I was responsible for the oversight of the government's library services for the state of Meghalaya. Not to talk of district or departmental libraries, even the State Library was in shambles, despite its grandiose building. Similarly, even though I headed the newly created Information Technology department in Meghalaya in 2000, I could not get e-mail on my office computer, not to speak of the internet. Did I do anything to rectify these problems? Yes, I did,<sup>xvi</sup> but that is not the point here.

- b) India does have a relatively well-equipped national academy of administration in Mussoorie, where I taught in 1994. But what it provides can at best be called induction training. Professional training is quite a different kettle of fish, well beyond its capacity. The Academy doesn't even teach the basics of economics and public administration properly, leaving a great muddle in the minds of its young officers.

If India wishes to become a great country (recall the '*mahaan*' in '*Mera Bharat Mahaan*?'), then access to such information, knowledge and training is absolutely critical; not in a remote academy, but at each desk, in each office.

#### 2.1.3.9 Bureaucrats Can Join Political Parties and Contest Elections

One more key feature that I strongly advocate for India is the mobility in Australia not only between the public and private sectors but between the public sector and politics. The Victorian Public Administration Act 2004<sup>xvii</sup> allows public servants to 'belong to, and hold office in, a political party'. They can also contest elections; but they must resign from the public service before doing that. However they retain 'the right of re-appointment or re-employment if unsuccessful',<sup>xviii</sup> "within two months after the declaration of the poll at that election'. Sitting MPs who lose their seats are also permitted to return to their original public service employment.

Relatively few public servants take this route to politics. The more common route is for public servants to resign and become ministerial advisers first, before advancing to senior political roles. As an illustration, the current Prime Minister of Australia, Kevin Rudd, worked in the Department of Foreign Affairs as a bureaucrat from 1981–8 before becoming a political adviser as Chief of Staff to the Labour Opposition Leader in Queensland. From 1992–5, he reverted to public service, this time as the senior most secretary to the Government of Queensland (he was only 35 then!). Either way, whether people go straight into politics or through the ministerial adviser route, Australian public life is enriched with a continuous supply of very high quality and experienced talent at the political level.

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In addition to these dramatically powerful reforms found in the Australian public services, enormous efforts are constantly underway to further improve governance and the public services. The aim in the West is to make public services an even more useful instrument to protect the freedoms of citizens. For those interested, I have outlined some key areas of reform underway in the West in the *Online Notes*.<sup>xix</sup>

With this bird's eye view of modern reforms, it is time to understand the Indian situation in some detail.

FROM ONLINE NOTES

#### 2.1.3.1 Contestability of policy advice to political leaders

By the 1970s, the bureaucracy was being seen in Australia as being "too elitist, too independent, too unrepresentative and insufficiently responsive."<sup>2</sup> It was the sole provider of 'small p' policy advice to Ministers, and much of that advice was precedent-based and merely reinforced entrenched bureaucratic practice. The reforms of the 1970s and 1980s in

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<sup>2</sup> John Halligan (University of Canberra) in "The Australian Civil Service System", paper prepared for presentation at Civil Service Systems in Comparative Perspective, School of Public and Environmental Affairs, Indiana University, 5-8 April, 1997. See: <http://www.indiana.edu/~csrc/hallig2.html>.

Australia marked a move away from bureaucratic monopoly over policy advice. As Professor John Halligan notes,

The reaction of Labour governments, in particular, Whitlam's (1972-75), and Hawke's (1983-92), was to challenge the public servants' monopoly over advice to ministers and to question their indispensability to the processes of government. The direction was made explicit in the White Paper Reforming the Australian Public Service (1983): 'the balance of power and influence has tipped too far in favour of permanent rather than elected office holders.'<sup>3</sup>

A moment's reflection will show us that the delivery of a government's policy or commitments does not require a permanent civil service, or even *a* civil service at all. Anyone, and any organisational form that can best deliver results, will do. The diagram in the beginning of this chapter shows that public services are merely one of the many potential vehicles for delivery of policy. Reverting to the metaphor of a ship and ship's captain, we—the country's (ship's) owners, hire a government (ie, the ship's captain). The captain should then be allowed to hire *whomsoever* he wishes, to advise him on the ship's day-to-day plans and logistics, since the captain is fully responsible to take the ship to its agreed destination.

There is no inherent virtue in *policy neutrality* at the senior levels in a civil service. A political party elected to government needs specialist leadership best suited to delivering its election commitments. If that means finding people with a strong understanding of the theory and practice of freedom, as would be the case if a liberal political party were to get elected in India, so be it. Bureaucrats or advisers who can best operationalise the delivery of freedom to us must then be found. In any event, no political leadership should be constrained in selecting its managers only from amongst a tenured service like the IAS comprising largely of socialist die-hards.

Further, the proponents of an 'impartial' public service presume, rather disingenuously—even dangerously—an *independent* role for the unelected bureaucracy in determining the public interest. Bureaucrats are our sub-agents, only indirectly accountable to us through our political representatives. We must therefore leave it to our agents to decide whether they want to use them or hire alternative vehicles. They can't be allowed to be independent arbiters of policy. We can never trust bureaucrats to make *independent* judgements for us, anyway, given what we know about their self-interest! We need to monitor them closely, not flatter them by giving them independence. Also, only by handing over the *full* control over the bureaucrats to our chosen political representatives can we precisely attribute the success or failure of a policy outcome to our representatives. If a ship hits an iceberg and sinks, we know whom to blame: namely, the captain of the ship, not its sailors. This method would similarly ensure a clear line of sight for accountability in a democratic political system. Politicians should not be in a position to excuse themselves from responsibility by taking the plea that the bureaucracy they were 'saddled with' was unresponsive. In the modern governance system, therefore, politicians are fully empowered to undertake *radical surgery*, if necessary, to fix bureaucratic incompetence, sluggishness, or policy incompatibility.

Public service leaders in Australia were originally expected to be policy neutral. This has thankfully changed. Due to the contractual nature of senior executive appointments, public service leaders are increasingly hired on their ability to deliver a government's *particular* policy platform. Neutrality in policy (whether 'big P' or 'small p') preference is no longer valued, and neither should it be. Policy delivery at senior levels must be

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<sup>3</sup> Ibid.

unequivocally based on the political policy direction; this does not preclude a role for the professional policy analysis of *all reasonable options* during policy formulation.

Radical changes to the bureaucratic leadership consequently take place in Australia upon a change of government, as the policy advisers are aligned to political strategies. Such things have been happening in the US system on a grand scale from a long time. The USA has an unfortunately titled ‘spoils’ system under which around 3,000 senior positions change with every new President, with up to five levels of political appointees between career public servants and political leaders. This change is arguably excessive, but the principle underlying it holds good.

The policy contestability process has an even more important implication in Australia. Politically appointed Ministerial advisers or Ministerial consultants have been given many of the functions formerly at least partially performed by senior public servants such as assessing the potential political impacts of a policy. These advisers, whose job-duration is coterminous with their Minister’s job, are usually subject-matter experts who understand the political philosophy behind their Minister’s policy direction. These advisers support their Ministers in formulating ‘big P’ policy and also help to monitor, on behalf of their Minister, policy implementation agreed with their relevant departmental secretary.

When such contestable policy advice is used appropriately by Ministers, governments are enabled to exercise comprehensive control on the direction, effectiveness, efficiency, and responsiveness of the governance that they have been elected to provide.

The seven reforms outlined above, taken together, enable Australian governments to provide a much higher quality of service at lower cost than could have been imagined with the earlier sluggish, tenured system. In consequence, the perspectives of Australian bureaucrats are significantly different from those of their Indian counterparts. For instance, Indian bureaucrats still see themselves as ‘impartial’ observers of a government’s policy programme, an independent locus of power ‘sinecured’—as in a sinecure being assured—under the Constitution. In other incarnations they see themselves as flotillas scurrying about to ‘fix’ the country’s problems on their own, bravely overcoming the hurdles put up by corrupt and incompetent political representatives. They condescendingly view Ministers as a nuisance to be tolerated, if not actively resisted. I do acknowledge that legitimate concerns exist about the integrity of Ministers in India, and perhaps these corrupt people do need someone to watch over them. But how about *us*, the citizens, doing *our* job well and holding politicians to account? It is not a sub-agent’s job to hold the agent to account; let the principal stop snoring and step forward! On the other hand, in Australia, bureaucrats work hard to advance, even anticipate, the policy commitments of people’s representatives. This is, of course, made much easier by the exceptionally high quality of Ministers they get.

### 2.1.1 The next generation of reforms

Significant efforts are *constantly* underway in the West to further improve governance and the public services. The aim is to make the public services an even more useful instrument to protect the freedoms of citizens. In a speech he made on 24 February 2004, the former Prime Minister of UK, Tony Blair outlined elements of the next generation of public service reforms planned for the UK. Some of these are cited in the box below. The difference between these reform ideas and the current fossilised state of the Indian bureaucracy is so stark as to be alarming!

**Box**

**Direction of future public service reforms in the UK**

To create an *enabling government*, the UK has decided to shift focus from bureaucrats providing policy advice to the better delivery of outcomes through better project management. Details include:

- A smaller, strategic centre to be focused on strategic leadership rather than micro-management.
- Jobs in finance, information technology and human resources to be filled by people with a demonstrated professional track record.
- A civil service open to the public, private, and voluntary sectors, encouraging interchange among them through recruiting extensively from outside the civil service to senior posts, and making it *even* easier for civil servants to move into the private sector and back again.
- A more innovative approach to policy. On generating the best ideas, Tony Blair set a new standard for good policy advice when he said:

I find too often that civil servants have not put forward a proposal either because they thought it would not be acceptable politically or because it simply seemed too radical. I always say be bold in putting forward proposals; don't be afraid to recommend ideal solutions that look impractical; **it is my job and the job of ministers to decide whether something can and should be done but our thinking will be the poorer if too many ideas are ruled out before they get to us.**

- Organising government around problems, not problems around government. This means more project working, more teams collaborating across departmental boundaries, and more shared budgets cutting across departments.

In this context, in October 2007 I participated in a workshop to explore ways of making the public services more agile in Victoria.<sup>4</sup> Significant research underpins the exploration of this issue in Victoria. I have no doubt that whether the public services in the West become more agile or not, they will continue to *constantly* reflect on their performance and adapt to, if not anticipate and shape, the future. While these countries stretch the frontiers of best-practice to the limits, we in India watch the rest of the world with bleary eyes and cynicism, completely disinterested. For ours is a special case. We have given up without trying: we are mentally defeated before the battle for excellence has even started.

Having got a bird's eye view of some modern bureaucracies and their forthcoming reforms, it is time to examine the India situation in some detail.

### 2.1.2 Indian Bureaucracy Today

Unfortunately for India, its bureaucracy performs miserably on every possible indicator of governance. Everything we see in our daily lives is an indication of its poor performance. It may be hard to distinguish which portion of the blame for misgovernance should be attributed to the bureaucracy and which to the Nehruvian socialism, but given that the IAS is in many ways more powerful than political representatives because of its Constitutional

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<sup>4</sup> Search for the phrase 'agile government' at the website: <http://www.ssa.vic.gov.au/>

sinecure, I am inclined to attribute to it at least half the blame for India's poor governance. In particular, inefficiencies at the operational level can almost entirely be attributed to it.

The situation is dire for India. In my 18 years in the IAS I did not come across a single officer who could compare, in policy leadership and quality of implementation, with an average senior manager in the public services of Australia. If there was to be a Public Service World Cup, even the F team of the Australia with its hands tied behind its back will defeat the IAS. The difference between these two is like an Argentinean football team versus a village football team from interior Bihar. Sure, there are some good natured and honest folk in the IAS; even individually brilliant ones who are particularly good at trivia – questions of the sort asked in *Kaun Banega Crorepati*<sup>xx</sup> – but not one of them is equipped to be a thoughtful, analytical and delivery-oriented public service leader who can make entire organizations perform to world-class standards.

I will probably lose a few friends among my former IAS colleagues for making such statements. But this book is not about any individuals, and it is not about me. It is about India's system, and it is about India's future. Those of us who are part of this mess (or have been part of this mess) have very little ahead of us. It is the future we must look to. The key message of this chapter is that having outstanding raw talent like we have in the IAS is simply not enough. There has to be a constant struggle to excel and to 'over-achieve'. India cannot settle for anything less than the world's best.

#### **2.1.2.1 Not Grown into High Performing Leaders**

Generalist civil services like the IAS are often advocated on the ground that technical people are not good people managers and leaders of organizations. Generalists presumably can do such things well. The IAS are presumably good leaders, else the case for their existence would fall apart. They allegedly specialize in management skills and deliver better outcomes for organizations. Unfortunately, generalist IAS officers perform extremely poorly on this core function (not because of their innate lack of ability but because of lack of training and incentives).

Leading large organizations to not merely good, but great results calls for Level 5 leadership (cf. Jim Collins). However, India does not expect such excellence of its civil servants. Instead, low level authoritarian and arrogant styles are typical of the IAS. A few officers are genuinely humble, but that's perhaps the best that can be said of them. There is little strategic capacity and policy knowledge, no matter to who you look. The leadership I'm referring to has some of the following characteristics:

- self awareness and careful reflection, involving a deep understanding of one's strengths and weaknesses;
- keen awareness of what is going on around oneself;
- humility to acknowledge that one doesn't know most things and therefore it is better to ask;
- respect for others and looking beyond appearances;
- seeking new ideas and constantly innovating by giving new ideas a fair chance;
- determination to keep learning, particularly about how the rest of the world consistently outperforms India; and, finally,
- relentless will and determination to make India the world's greatest country, ever. This means never giving up this quest despite all obstacles.

This potent combination of skills, knowledge, and sensitivity is the kind of leadership that the IAS needs to display if it has to justify India's experiment to have generalists at the

top of each government organization. But the IAS doesn't like to be told such things. Senior civil servants are seriously challenged by the very thought of innovation, or by suggestions for improvement. There is complete denial of need for a radical change in its culture to one that is focused on self-actualization. There is no considered reflection, and a strong distaste for debate. But level 5 leadership calls for vigorous debate on ways to increase its effectiveness.

Most IAS officers will confirm their very poor leadership ability by passing on the buck to politicians. They will claim that nothing can be done because of political pressures. But this excuse is not entirely valid (it does have partial merits). Despite politicians of the sort we have, there are a number of things which do not need the support, or even the awareness, of politicians to implement. These would include the following:

- Commit to a mission to always meet or exceed world-class standards in the provision of policy advice.
- Throw open internal debates for reform and cultural change. If the IAS can't do this systematically on its own, they can hire professionals to facilitate the debates.
- Hire experts to coach senior managers.
- Convert performance assessments into development conversations. Ministers write or comment only in a few of the annual performance assessments of IAS officers. What stops the rest of the performance reviews from becoming focused on development and capability building?
- Organize leadership development training for all its members as well as all other talented staff.
- Get 360° feedback regularly from all levels including from 'lowly' peons and drivers.

If the IAS does not want to be ousted, it must establish as its sole mission the delivery of world-class standards. If some officers brush aside this recommendation and claim they don't need such a mission, then they should prove that they are already the world's best by showing peer-reviewed international studies which cite the IAS as the world's best civil service. Else, they must start taking feedback from books such as this seriously and do something about it. Responsiveness to feedback may at least partially save it; else it is destined for the guillotine in the not too distant future. It is only a matter of time before a generation of clear-headed politicians will arise in India and sack this antiquated aristocracy that rules (not serves) India. When that happens, only those among its members who have risen to the personal leadership challenge will remain standing, the others being tossed out as weeds. The time for total mediocrity has surely passed now – six decades after independence!

#### **2.1.2.2 No Expectation to Deliver Results**

So high is the raw talent of its recruits that the IAS could have been a world-beating Ferrari given some care and fine-tuning. Unfortunately, it has been used so long as a rundown *phat-phati* (auto-rickshaw) by politicians and senior officers within the service that it has begun to see itself as a smashed up auto-rickshaw. It has lost faith in itself, and lost sight of its original mission. Its members were among the brightest in India at one time, and they had great ideals upon joining the service. But that is all gone. They no longer have confidence in their ability to make a difference.

Before leaving the service I met a large number of senior civil servants across India in the year 2000 and approached many of them with different reform suggestions. I was appalled at the all-pervasive sense of helplessness even at the highest levels – a feeling that nothing could ever change. A good number of honest senior IAS officers were also desperate

to get out but didn't know how to. And so these people plod on today, fulfilling the motions of work – things like filling out TA/DA forms, chasing after their 'pay slips' and car loans and other bits and pieces of paper in the Personnel Ministry, local Treasury and Accountant General's offices; aware that unless they spend their time in such trivial pursuits, even their future pensions won't be given to them, as their fellow-bureaucrats in the Accountant General's offices are renowned for losing all records of their very existence!

What happens is that from the first day of their working life, when they join as sub-divisional magistrates, there is no expectation placed upon them to perform outstandingly and to innovate. The main advice they get from their seniors is to 'be practical' and to 'manage'; which is the code for 'let the corrupt carry on with their work' and 'stay put'.

Now, people generally – and I'm not referring here to civil servants alone – learn either if they want to, or if they are likely to be kicked out for non-performance. Since Indian civil servants are promoted without any requirement to deliver any results at all, leave alone world-class results, there is no incentive for them to challenge themselves, having been recruited. Life in the IAS thus becomes a long and never-ending holiday. I remember organizing a two-week mid-career training program for IAS officers in Mussoorie in mid-1994. Experts were invited from all over India to discuss their insights with these officers. One guest, the CEO of a major public sector IT company, spoke with a stammer. Upon hearing him speak, a number of IAS officers simply left the lecture mid-way – just walked out! More problematically, many participants repeatedly missed other lectures too; and used these two weeks as a holiday instead of as a learning experience. I don't blame them either since the heterogeneous mix was designed by young bureaucrats like me, a person completely ill-equipped at that stage to train others. In that way, India's civil servants fiddle away like Nero did while India's misgovernance burns out of control. They will never take responsibility for anything that has gone wrong with India – of that one thing I am sure.

And yet, there exist, even within this run-down service, a few exceptional people who have gone out of the way to educate and improve themselves. But after doing that, many have left the IAS or hope to leave as soon as they can. The service is unfortunately a complete dead end for such people. No one is ever going to let them apply their knowledge, anyway.

### **2.1.2.3 Arrogant and Unresponsive**

While I have highlighted the leadership gaps already, arrogance is a particular feature worth looking at in detail. Professor R K Mishra, Director of the Institute of Public Enterprise, is right when he says:

For the Indian civil service during the British period it was said that they were neither Indian, nor civil, nor public servants. It was expected that with independence they would be Indian in thinking and action. The general perception is that the Indian civil service has hardly changed [...] in terms of attitudes, mores and culture. A study of the overall perception of the officers of the IAS by members of the Indian Police Service, politicians, technocrats, and academicians points out that they project themselves as experts on everything. Their concern for, and focus on their own career is very high. They are self-opinionated, power-hungry, shrewd and manipulative, procedure and rule-focused, arrogant, inaccessible, judgemental and critical, and having concern for minor details. They have been rated very low on positive traits such as commitment to organization, trustworthiness, risk-taking, conscientiousness, innovativeness, and creativity. Most of the studies have rated them lowest as visionaries and transformational leaders. They are considered to be no-change agents.<sup>xxi</sup>

I fully and completely endorse this finding. Even the best civil servants in India create an impression of brusqueness, of being self-absorbed. They refuse to listen to what others try to tell them; their active listening skills are among the worst in the world, just a notch above Mugabe's. They are generally very demanding of their 'perquisites' and status symbols and do not hesitate to seek favours from businesses and subordinates. They stomp about with inflated egos like starlets in a small-time movie, and are therefore perceived as people who think that they exist at a level 'above' the rest of us. I was no exception to this; I too was one of them. My plea, in self-defence, is that I was not coached nor groomed by good role models. While that applies to the entire service, it is a very bad excuse; each of us is ultimately responsible to learn and improve.

In 2007 I wrote an article in *The Times of India*<sup>xxii</sup> on the Indian bureaucracy, summarizing this chapter. One letter writer wrote: 'Regarding the IAS most of them have big egos but know nothing about their departments. [...] officers belonging to service should at least know their work, which they don't. Most of the time they do not go to office and those who do work cannot delegate'. Spot on! Therefore I would urge my former colleagues to try to listen to what the world is saying and reflect on it. The way to proceed would be to increase focus on leadership development of public servants as a high priority.

#### **2.1.2.4 Huge Gaps in Policy Knowledge**

As already indicated, IAS officers are generally very poor at public policy analysis and design. Even if they do not have the time or expertise themselves to research each issue that they are faced with, they should be competent enough to know what to look for and how to acquire the relevant information. Unfortunately, most of them do not possess the basic skills to help them demand world-class policy briefings. Further, even though I know that things are changing fast, at least till seven years back most senior officers remained computer illiterate despite being offered many opportunities for training. Without having outstanding computers skills, the efficiency gains available to public servants today across the world simply cannot be tapped into.

#### **2.1.2.1 Not Supported with Information and Knowledge Sources**

IT infrastructure in the Indian Government is extremely weak. There is no access to international standards and to the latest academic literature. Today that can't be a major excuse, though. Simply having access to the internet should ease this problem considerably since policy documents of the developed countries are almost entirely available in the public domain. Indian civil servants can, if they so wish, literally cut and paste from the world's best policies and at least partly circumvent the extensive and expensive policy development route followed in free nations. But a person can only take a horse to the water; he can't make it drink. I suspect that even if this infrastructure is made available today, the vast majority of India's current crop of public servants won't open their minds and look for such things. I believe that for them to change, their incentives have to change; their sinecure has to be abolished.

#### **2.1.2.2 Corruption<sup>xxiii</sup>**

On a visit to Delhi from Assam in 1991, I was introduced to a young man in a restaurant by a friend. On finding out that I was originally allotted the Haryana 'cadre' but then moved to the Assam 'cadre', this young man asked me whether I changed cadres because there is more money to be made in Assam?<sup>xxiv</sup> This shocking aspersion on my integrity was made because of the widespread feeling among the public that IAS officers are largely corrupt. By now that perception has become even more widespread, and we know that it is not without basis. Although it is difficult to estimate the magnitude of bureaucratic corruption, I have no doubt that at least some IAS officers are now corrupt to their very core – though these are

much fewer in number than Indian politicians who are almost all corrupt. Many other officers are either partially corrupt or on the way to becoming corrupt.

Let me talk about hard-core corruption first. These are officers who joined the IAS or civil services with the sole intent of 'making money'. The following are some examples:

- One of the persons who appeared in the civil services examination in 1981 along with me told me his aim was to join the Indian Revenue Service (i.e. the income tax service) because it is possible to make more money there than in the IAS. He was selected into a group B 'central' service in 1982. I don't know what has happened to him after that.
- An IAS colleague recruited along with me in 1982 said to me during our training days in the Academy about his objective of 'making money'. He had been a member of the Indian Revenue Service prior to joining the IAS and had already acquired a flat each in Bombay in Delhi. The damage this person has caused in the last 25 years can barely be imagined; unless, of course, he had a change of heart. In conversations I had with permanent teaching staff when I taught at the national academy in 1994, I was told that the number of such IAS recruits who openly declare their corrupt intentions has been rising dramatically over the years.
- I know detailed stories about the exploits of some IAS officers from sources that have dealt closely with them (i.e. lower staff who worked with them), to doubt that such 'hardcore' corruption is now endemic.

Apart from such hardcore corrupt IAS officers, who one hopes are still only a few, there are at least some who entered the service with the strong intention to remain honest but over the course of time may have become corrupt. It is important to consider what could cause such mid-career corruption.

Among the many problematic socialist policies in India, the absence of parity in salaries between executive positions in the public and private sectors has been a critical driver of such corruption. Recall that Lord Cornwallis had literally stamped out corruption from the ICS by paying its members handsomely. This principle worked well until its effect lasted into the 1960s. But as C P Srivastava showed, from Nehru's time itself the buying power of a secretary's salary started falling rapidly in comparison to its 1947 buying power.<sup>xv</sup> By 1985, a secretary to the Indian Government could afford to buy only a quarter of what his predecessors in 1947 could afford. In the meanwhile the country's per capita was growing, albeit slowly; and private-sector salaries were booming despite artificial checks imposed on them by the government. Today, the highest paid civil servant in India, the Cabinet Secretary, is paid less than what a fresh management trainee is paid by some multinational companies. The consequences of this dramatic disparity are predictable:

- First, there will a significant disincentive for high quality people with integrity to enter the civil services, thus restricting the pool of entrants to a much lower quality, or dramatically increasing the hardcore corrupt.
- Second, for those who have entered the service long ago and attained senior positions now, the continuous devaluation of their lifelong financial net worth – relative not only to their friends who joined the private sector, but relative to young children around them, who, fresh from college, earn far more than they do – can have serious consequences. Those who can, try hard to leave as soon as possible. Those who can't may well think of corruption.

As we would expect, officers who have upgraded their knowledge and capability over the years have started to resign en-masse, something that was unheard of in the past. Many have settled abroad, mostly in the USA. A few have joined the Indian private sector. As a result, the government is now being forced to increase its intake into the IAS due to the

unexpected resignations of many senior officers. But such mid-career moves (generally made after 20 years so the officer can hold on to his or her voluntary retirement benefits) are not an option for everyone.

One can barely imagine the humiliation and pressures put on the vast majority of honest officers who are forced to continue at relatively poor pay, with forthcoming pressures to get their children educated abroad or to get their daughters married, and property prices shooting through the roof. The Indian society has always placed considerable value on material success. At such a late stage in their career they are cornered from all sides – the society lumps them together with the corrupt and doubts their integrity; their corrupt colleagues flourish in unprecedented ways; politicians scout only for officers who can assist them in their plunder. Under these circumstances one sadly wonders how many of these officers will be able to resist the temptations around them and emerge untarnished at the end of their careers.

By no means am I making an argument here for an across-the-board increase in civil services salaries through Pay Commissions. For the vast majority of civil servants, who have not opened a single book after entering the civil service (and who will definitely not read *this* book), higher salaries without a guarantee of radical improvement in productivity is not an option. The solution has to be found elsewhere; through a radical shift in incentives.

### 2.1.3 Building a New Bureaucracy for India

I must unfortunately conclude that our British India bureaucratic system is beyond resuscitation; it has terminal ailments and can't be resuscitated. It needs a total rebuild, from ground up. It has to be dismantled and a new public service system erected to replace it. With political commitment, such a reconstruction should be possible within five years as detailed in Chapter 6. I highlight the key changes needed at this stage.

The key principles behind the new system will be deceptively simple:

- Recruit the best people to leadership positions on salaries comparable with the private sector.
- Let these leaders then similarly recruit the best people they can find; and so on, down the chain.
- Spend all possible effort to develop these people into Level 5 leaders so they can become role models for others, and thus help to transform the competence and culture of the entire bureaucracy.

#### 2.1.3.1 Recruit Senior Roles from the Open Market, and Abolish Tenure

A first step would be to hire extremely competent people as public service leaders – people with multifaceted leadership ability including high quality people-management skills, significant policy knowledge and demonstrated strategic thinking skills. Obviously, such people have to be paid well. The open market intake should apply in the first instance only to senior executive positions but in a phased manner to all positions. All senior appointments will have to be contractual, with the contracts permitting the government to let the executives seek better opportunities elsewhere (polite language for dismissal!) for underperformance without any rights created against such dismissals.

From what I know about the Indian system, it will be very hard, if not impossible, to find such people within the Indian civil services. Even IAS officers trained abroad are generally not in the league I am referring to. The hunt for talent would therefore have to focus on our private sector which has been developing an excellent reputation internationally. A few Indian academicians of international repute with extensive industry experience could also be potentially tapped. Such academicians will bring the latest policy knowledge and

comparative understandings of the world, which are likely to prove crucial in designing strategic policy directions. The third category to look for would be Indians working in the private sector abroad in very senior positions.

### **2.1.3.2 Pay Senior Public Servants Salaries Comparable to the Private Sector**

It will be crucial that salaries between the private and public sectors are broadly equalized – no open market intake can succeed without this. Such parity would of course apply only to senior executives appointed on contracts. No Pay Commission-type across-the-board hike should be contemplated. People must always be paid in terms of their productivity; the salary must be deserved. This policy will also help reduce corruption (the elimination of corruption will depend on a much wider set of reforms, including the electoral reforms touched upon in the previous chapter).

### **2.1.3.3 Reduce the Number of Departments**

Ahmed Shafiqul Huque, an Associate Professor in McMaster University in Canada, has identified an explosion in the number of departments in the Indian Government over the years:

The number of departments in the central government of India grew from three (Public, Secret, and Revenue) in 1774 to eight in 1833, while the central secretariat was reorganised into four departments, namely, Home, Foreign, Finance, and Military in 1843. The number of departments rose to 10 in 1919, and 18 in 1947. These were subsequently re-designated as ministries. There were 20 ministries and departments in India in 1952, 54 in 1978, and 70 in 1993.<sup>xxvi</sup>

Despite the great complexity of modern societies, increases in the complexity of the government machinery are not justifiable, as we saw in the Australian example. The disease of reckless expansion of the government machinery in India goes well beyond an increase in the number of departments. There has also been an exponential increase in the number of senior executive positions. Multiple departments with multiple secretaries exist today not to meet any genuine need but for the following two reasons:

- First, to accommodate the large number of IAS officers recruited from the mid-1960s onwards who have been promoted through the automation of seniority.
- There are also increasing pressures on Prime Ministers and Chief Ministers who often lead coalition governments today, to accommodate MPs and MLAs who want Ministerial berths in return for support – leading to pressures to create even more departments.

The solution to this fungal growth of low performing departments and officers is to significantly reduce the number of departments as well as positions of secretaries and joint secretaries. This can happen only with outstanding leadership, which means that open market recruitment will have to come first. That will have to be followed by very careful restructuring of the machinery of the government including the professionalization of departments. Only after that can the much tighter new structures be put in place.

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The problems of ineffectiveness, lack of innovation, and corruption in the Indian bureaucracy can be speedily reduced through reforms such as these. Some people have pointed out to me the Herculean difficulties involved in such reforms. To paraphrase the key objections: ‘These reforms are too radical for the Indian situation. Who will select these top quality people; in particular, can we trust our Ministers to do this task well? What about Constitutional barriers to reform? What about the IAS itself – will its enormously powerful lobby allow these changes to happen?’ In reply I would suggest that India can seek assistance from other countries which have taken such steps in the past. As Professor John

Halligan has kindly written to me, 'the Australian reforms have been implemented over twenty-five years. It is important to lay the foundations for reform and to build on them with various levels of change'.

The changes suggested here and in the next chapter will still not get us the outstanding governance we want. Assuming that we are successful in implementing the initial changes outlined in the next chapter, there will be need for further reforms down the line. No human institution is perfect and the system will need to be continuously improved. The task for the present, though, is very simple. If each of us demands these reforms they will start happening; else nothing will change.

The next chapter brings this book to a close by pulling together threads from across this book. The next chapter also includes issues that I could not find space to discuss earlier. What should emerge from the entire book, but particularly from the next chapter, is a far-reaching and ambitious plan for change – a plan to completely break free of Nehru's legacy of mediocrity. It is perhaps time for us to start thinking about India's tryst with greatness.

## 3. Building Capability to Govern

This contains relevant extracts from BFN (chapter 6 and Online Notes). Many other reforms, including reforms to political system and public policy, are not dealt with here. BFN contains the full set.

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Most of this chapter deals with fixing our poor governance which is our Achilles' heel. The reforms under this section are intended to attract Level 4 or 5 leaders into the political and bureaucratic wings of the government, and to develop them from within.

### 3.1 Enabling Public Servants to Represent People

Some honest members of India's civil services who have been seeking knowledge actively throughout their life are very well-placed to bridge the divide between socialism and capitalism in India and to become initiators of change. Their knowledge of our operating environment as well as policy options available under a regime of freedom could prove invaluable to India. Public servants will therefore be permitted to resign to contest elections and to return to their earlier positions within two months of the declaration of election results should they be unsuccessful. This reform will improve the quality of the candidate pool in subsequent elections; particularly at the state levels.

### 3.2 Appointments of Cabinet Secretary and Ministerial Staff

The ball of bureaucratic accountability will be set rolling by reducing the current exclusive reliance on the bureaucracy for policy advice and implementation. To signal this change the Cabinet Secretary will no longer be a public service position. This will mark the divide between political representatives and the bureaucracy, between the agent and sub-agent. This position will henceforth be held by an MP in the rank of Minister of State without voting rights in the Cabinet. The incumbent public service Cabinet Secretary will be offered a redundancy package; or, alternatively, reverted to his or her state cadre. Ministers will also be empowered to appoint a small team of political ministerial advisers on short-term contracts which will run concurrently to the Ministers' appointments.

### 3.3 Phase 1 – Build Up (First Two and a Half Years)

Now to the bureaucracy. The first two and a half years of my government are being characterized here as *Phase 1 – Build up*, following Jim Collins. The second half of this five-year term is being characterized as *Phase 2 – Breakthrough*. Since much of the improvement in India's governance will depend on the active participation of states, they will be provided incentives to initiate similar reforms. I will immediately write to public service heads, asking that the bureaucracy start examining all its work in the light of freedom of the people, and explore constructive ways to systematically step aside from needlessly interventionist activities.

After the Phase 1 restructure the number of departments would be brought down to ten, with around 20 ministerial portfolios and 20 Ministers of State (the latter to ensure orderly succession). Each portfolio would be served by one of the ten departments with a total of ten secretaries in all. Apart from the Freedom Department, other departments will be: i) defence, ii) justice (including internal security, police, support to the judiciary and

protection of consumers), iii) external affairs, iv) public finance, v) physical infrastructure, vi) social infrastructure (e.g. public health, poverty elimination through negative income tax, and the regulation, not direct management, of education and medical facilities), vii) commerce (including regulation of industry and agriculture), viii) social capital and community (fostering voluntarism and conducive social relations in the community), and ix) sustainability (managing the ecology – with a time horizon of 1000 years).

Two principles will underpin the change programme in the *Build up* phase: (1) the need to move the structures from the current to the new in a systematic and effective manner, and (2) to do so in a manner by which everyone involved is enabled to understand the rationale for the change and through which no one becomes financially worse off, or experiences distress, for up to five years at the end of Phase 1. This commitment would be on a sliding scale, from one year for staff with less than five years service, up to five years for staff with greater than 15 years service.

The part relating to significant distress bears some elaboration. The idea behind it is that nobody should experience either financial or psychological distress in consequence to this change programme, for that would violate the principles of justice. These employees were not responsible for the policy mess and culture of incompetence created by politicians who adopted Nehruvian socialism. Therefore, my government owes them a duty of care to ensure that they are given a reasonable time to rebuild their life where their departure becomes necessary. The government must always be a model employer and set the highest standards of behaviour and people management. Ensuring the health and safety of employees will be a major duty of managers of this change programme. Managers will be empowered to make relatively small adjustments to the speed of the change to humanely manage employee well-being. Throughout this process, collective bargaining will also be encouraged, without sacrificing decisiveness. Collective representation is an opportunity to understand the concerns of employees and to engage them actively in the change process. We definitely don't want the current styles of authoritarian management to continue.

The timelines and deliverables for Phase 1 are outlined below. The month in the sub-headings refers to the time when an activity will be completed:

- **Month 1:** The Planning Commission will be shut down from day one. Its policy analysis functions will be transferred either to existing departments or to the IPO. All commitments made under the Five-Year or other Plans will be scrapped. All previously committed funding will be up for review at the time of renewal or extension of funding on a case-by-case basis. Files of the Planning Commission will be sent to the National Archives for recording and open access to researchers.
- **Month 2:** My government will not undertake a useless reshuffle of IAS officers. Instead, as a first step, all deputations and postings to and from the IAS, IPS and IFS state cadres to the Central Government will be frozen from the sixtieth day, after which the system of transfers and deputations at the level of joint secretary and above would be scrapped. All new appointments except new recruits to the civil services (and the IPO) will be frozen until Phase 2, urgent requirements being met by ad hoc contracting. The annual intake of new civil service recruits by UPSC will continue till Phase 1 is completed to prevent shortages of trained personnel at the grassroots in the states. These recruits will be treated at par with other employees at the end of Phase 1, and will be able to apply for Phase 2 positions either in Central or State Governments, keeping in mind that traditional roles like sub-divisional magistrates and district magistrates would no longer exist in Phase 2 in states which participate in these reforms.
- **Month 2:** Secretaries of existing departments will be given two months to come up with a well-defined set of core competencies including knowledge and leadership standards,

as reviewed by internationally reputed consultants, for each position in the rank of joint secretary (and above) to the Government of India.

- **Month 3:** Upon approval of these competencies by the relevant Ministers – and the Freedom Minister, to ensure consistency in the standards – all civilian positions at senior executive levels will, without exception, be advertised publicly on the first day of the third month of my government assuming office. There will be no reduction in the number of senior positions in Phase 1. However, all such positions will henceforth be recruited entirely through the open market.
  - As most departments do not handle security matters, there is no reason why non-citizen permanent residents can't work in such Ministries. Therefore, except for civilian positions in the defence and external affairs ministries, and some positions in the Freedom Department, senior positions in all other departments will be open to anyone with appropriate merit from practically anywhere in the world.<sup>xxvii</sup> All they would need to do before appointment is to apply for permanent residency in India.
  - Compensation payable for these newly advertised positions would be at par with that of senior managers in multinational corporations in India, in the range of Rs 40–100 lakhs annually, to be individually negotiated – noting that a few senior policy analysts hired by the IPO from abroad will earn similar amounts as well.
  - Current civil service incumbents could apply to these positions along with others.
  - A series of interviews and presentations from shortlisted candidates on a range of complex policy matters would be held by teams headed by the lead Cabinet Minister of the concerned department and another Cabinet Minister. Existing civil servants who are short-listed would be encouraged to bring along with them a summary of their perspectives on the strategic plans for their departments (as outlined later). Strategic and persuasive discussion of such plans could help civil servants demonstrate their capability. The selected secretaries will be appointed first – under my signature – and given the option of forming a part of the interview team for joint secretaries. Each secretary would then formally appoint the joint secretaries and retain complete oversight of them, including the rights to dismissal.
  - All these appointments will be on 24-month contracts, extendable by three years if the incumbent is successful in obtaining the fewer Phase 2 positions.
- **Months 5 and 6:** Appointments will be completed in five months and appointees will start work at the commencement of the seventh month. Unsuccessful incumbents will relinquish their roles simultaneously.
  - Civil services incumbents appointed to these positions will have to resign from their civil service before taking up these appointments. They would also get the benefits admissible to them on voluntary retirement from their service, *over and above* their new contractual benefits. If they are not yet eligible for voluntary retirement, they would be deemed to have completed 20 years of service.
  - Unsuccessful civil service incumbents could either revert to the rank of a Director in the Central Government on their existing salary or revert to their state cadre. They could also select an individually negotiated redundancy package plus pensionary benefits under the relevant rules. No other government employee will be offered a redundancy package until the beginning of Phase 2.
  - If some of these positions cannot be filled because suitable candidates cannot be found, or if there are unforeseen delays in recruitment, experts of international or national stature may be tapped on the shoulder and offered short-term

appointments on mutually acceptable ad hoc terms at salaries potentially much higher than those indicated earlier.

- **Month 8: Departmental strategic plans:** The newly appointed Secretaries would be given 60 days to prepare a 21-month strategic plan for their department to be delivered by the end of the eighth month to the Cabinet. They would work closely with their relevant Ministers and the Freedom Department which would have already conducted background work through the IPO on each potential restructure. These plans will be published on the first working day of the ninth month, after Cabinet approval. These would specify the pathway to the restructure in sufficient detail to guide implementation. These plans will include, among other things, the deliverables and milestones listed below:
  - A high-level review of each major activity undertaken by each department to be completed by the end of the ninth month. A two to three page summary on each major activity would be presented to the Cabinet from the ninth to the twelfth months, and all reviews published on the internet after Cabinet endorsement. These reviews would provide the rationale for either continuing with an activity or reverting it to citizens (Box 13 in the *Online Notes*<sup>xxviii</sup> outlines the principles that will guide these reviews<sup>xxix</sup>).
  - The strategic plans will specify the timelines for implementing organizational and structural change, even as there is no let-up in the delivery of core functions.
  - Regulation should not be directly implemented by departments. Regulatory enforcement and implementation will be de-linked from policy making to minimize capture of policy by regulators. Where such regulatory bodies do not already exist, the strategic plans will specify when a relevant independent regulatory will be established. As part of this process, the Reserve Bank would be made completely independent, tasked with focusing solely on inflation; in the longer term, the concept of central bank will be reviewed and most functions decentralized to the private banking system. To ensure independence of regulatory bodies, appointments of their chief executives would need to be endorsed by relevant Parliamentary Committees from the beginning of Phase 2. This would eliminate perceptions of bias in the delivery of regulation. The delivery of laws will thus become independent of political considerations.
  - The strategic plans will also specify when a separate strategic plan for each departmental public sector body, regulatory body, or undertaking dealt with by the department will be delivered – latest by the eleventh month. Without exception, all business undertakings including defence manufacturers will either be auctioned off in the international market or their shares sold to the people of India by the end of Phase 1. The government will stop being a businessman. Period. Not one business will remain in the government's hands. Buyers would need to protect the financial outcomes of staff of these undertakings for up to five years after Phase 1 on a sliding scale similar to that for public services. Defence undertakings will be sold only to companies fully owned by Indian citizens who live in India and employ Indian citizens; these companies will also provide periodic reports to the defence ministry and permit random inspections by authorized defence inspectors at any time of the day or night. Exports by such private defence companies would be vetted by the Defence Minister.
  - A key element of the strategic plans will be the comprehensive modernization of the trappings of government administration. During Phase 2 there will be no concepts of clerks, peons, or drivers. Offices would be completely modernized and made 'open

plan' with senior managers seated in the same work environment as their support staff, excluding joint secretaries and secretaries who could have their own rooms. There would be a number of small and large meeting rooms. State-of-the-art technology and facilities would be made available, including modern workstations with access to global databases and international standards, electronic document and records management; and more importantly, high quality toilets and kitchens for staff.

- The strategic plans will identify and deliver on the training needed to ensure that employees wanting to work in Phase 2 possess relevant technical skills. The stringent competency requirements of Phase 2 will mean that those who don't shape up will have to be let go. In recruiting public service leaders for Phase 1, one of the important competencies will be their knowledge of the skill sets needed for modern governance. In particular, they must be capable of sourcing high quality trainers from across the world.

The Freedom Department will coordinate all departmental strategic plans and ensure that each major aspect is properly addressed. When these plans are added up it should become clear how the restructuring of the ten new departments will be completed.

- **Month 9: A new Public Administration Act:** The Freedom Minister would introduce a Public Administration Bill in the Parliament in the ninth month. This will essentially implement many of the suggestions already made in Chapter 5. For those interested I have provided details in the *Online Notes*. The Act would come into effect at the commencement of the thirty-first month.
- **Month 9: A new Superannuation Act:** As indicated in Chapter 5, one of the key barriers to occupational flexibility in India is the absence of a uniform superannuation scheme that applies both to the public and private sectors. A Superannuation Bill, upon the commencement of which the Central Provident Fund legislation and General Provident Funds would be disbanded, would be introduced in Parliament in the ninth month. This would require each employer, including the government, to transfer 10 per cent of an employee's gross salary, at a low rate of tax, into privately managed superannuation trusts that would invest these funds into risk categories selected by employees. This 10 per cent contribution would technically form part of the employee's contribution, and will be included explicitly in all salary packages. I have discussed further details of this important piece of reform in the *Online Notes*.<sup>xxx</sup>
- There are many reasons to use privately managed funds. One of them is the sheer incompetence of India's government fund managers (box below). Private funds will, on the other hand, be accountable through the delivery of services that meet agreed international standards. They will also be audited and regulated by an independent prudential regulator. These contributed funds would be available for withdrawal by employees in the form of annuities at age 60, or for specified crises as a lump sum prior to age 60, with this age to be reviewed as longevity increases in India.

**Box**

**Sheer incompetence of government account keeping**

Government employees are often unable to get their own dues back upon retirement or resignation even from the General Provident Fund (GPF). My personal example is worth noting here:

- The government of Meghalaya has not yet paid my own GPF contributions back to me. It is highly improper, if not illegal, for a government to not repay these

contributions made from an officer's *own* salary. It is like a bank refusing to return your savings and refusing to respond for years to your request to return the money.

- Similarly, the account-keeping systems in the government are *beyond repair*. I asked the Meghalaya government that the balance on my motor-car advance of Rs. 80,000 be set off against my GPF. But the Accountant General's office has then floundered like a limp fish, unable to trace either my loan's original documentation or the repayments I have made. I possess my records, but I have *no intention* of doing the work these public servants are *paid to do*.

These laid-back, tea-swilling *babus* expect retired staff and those who have resigned to run around their filthy, stinky offices, spending weeks of their own precious time, to chase up their dues. I am even informed that many retired people have to pay bribes to get their dues back from the government. I also know of a case where the group insurance dues of an IAS officer who resigned has not been repaid by the government of India. This ridiculous government 'management of funds' has to go; there is no place for such utterly incompetent service providers in free India.

As an associated step, the net present value<sup>5</sup> of the eligible pension benefits of *each* public servant will be converted into an appropriate lump-sum contribution from the government, when the superannuation law comes into effect (latest by the end of the 25<sup>th</sup> month). For instance, the contribution made for a public servant with 24 years of service would equal the net present value of pensions and gratuities that this employee *would* have been entitled to had he or she retired at that point in time. Similar, appropriate adjustments would be made for the Central Provident Fund scheme.

Since the government has been following a pay-as-you-go system of pensions for its employees, thus using current revenues to pay outstanding pensions, the new *Act* will impose a significant up-front burden on the government's financial position. However, as the cost of pensions was to be met through future taxes, the government simply capitalise this through issuing bonds equivalent to the present value of the taxes that would have been needed to meet a particular year's pensions. Retiring of bonds from future revenues would then equate to what the government would have otherwise paid out as pensions. Pensions and gratuity for all public servants would then be disbanded. Those who retire, or die before the *Superannuation Act* takes effect would not be affected, with their pensions being paid as usual—a task delegated to the private superannuation funds.

In this manner, by eliminating tenured appointments at senior levels, by introducing redundancy for all permanent positions, and by enacting superannuation legislation, *significant* flexibility would be introduced into the Indian labour market. A number of other, more generic, labour market reforms will also be introduced which I do not touch upon here for want of space.

- **Month 9: Constitutional amendment to abolish the all-India services:** Also in the ninth month the Freedom Minister will introduce a Constitutional Amendment Bill to wind up existing civil services and repeal Articles 308 to 323. Approvals from states would be obtained and the Amendment enacted as soon as possible, to take effect from the thirty-first month at the latest. Through this process, there would no longer

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<sup>5</sup> A multiplier of 14 ( or similar number) of the annual pension would equate to such a net present value.

be any Constitutional barrier to the Phase 2 structures. Indeed, this amendment would be made effective as soon as the Public Administration Act is enacted.

The amendment would automatically abolish the Union Public Service Commission (UPSC) in its current form. However, under the Public Administration Act, the UPSC will be reincarnated and headed by a Public Services Commissioner. It will shed its recruitment function except for the armed forces, for which a longer and different transition will be separately laid out. It will largely convert into a research organization on public administration and provide recommendations to government on world-best-practice for the bureaucracy. Its periodic recommendations could lead to further streamlining of the public services and help to further increase their agility, productivity and effectiveness. It would also establish newer, and usually better, working conditions every three years for the public services in consultation with employees and their representatives, subject to Cabinet approval. The practice of setting up ad hoc Pay Commissions would cease.

- **Month 22: Advertisement for Phase 2 positions:** Based on the details of the restructure, which should emerge clearly by the twentieth month, jobs for all individual Phase 2 positions will be advertised by the twenty-second month, eight months prior to the commencement of Phase 2. These will be open recruitments through the market using procedures prescribed in the Public Administration Act. Current employees of the government will be eligible (as will others) to apply for these, fewer, 'final' positions. All appointments made to these positions will be deemed appointments, effective only from the commencement of Phase 2.

Advertisements for these positions will be staggered, the senior-most roles being recruited by the twenty-fifth month, well before the junior ones. Senior managers so appointed will chair the selection panels to recruit their future direct reports. All appointments will be completed by the twenty-ninth month.

Phase 1 government employees not recruited to a Phase 2 position will be declared redundant with effect from the thirty-first month and suitably compensated. They would also be supported by the Freedom Department through training and guidance in setting up a business. It would be generally ensured that they do not become worse off for up to five years beyond the commencement of Phase 2 on the sliding scale mentioned earlier. It is expected that they will find something useful to do in the radically reformed economy of India. The Freedom Department will also monitor their health and well-being.

The performance indicators for Phase 2 secretaries will be significantly tougher than Phase 1 indicators. These will be linked closely to citizen perceptions of departmental performance and corruption. If an organization is perceived to be corrupt by more than a certain proportion of the public, this 'target' proportion being drastically reduced each year, Phase 2 secretaries will be dismissed automatically without recourse, despite not having been personally implicated in their department's corruption.

To ensure a fail-safe transition to Phase 2, suitable transitional arrangements and redundancies will be built into all systems for the first three months of Phase 2 to ensure that no core function is compromised even marginally.

### 3.4 Phase 2 – Breakthrough (Second Two and a Half Years)

The midnight of the first day of the thirty-first month of my government will be a momentous occasion. Major changes will take effect at that moment. The tryst with greatness would have begun. Among the changes, the new Constitution would become

effective; tenured civil services will be disbanded; and all government functionaries who were successful in obtaining Phase 2 appointments transitioned to their new functions.

On the first working day after that most public sector employees will move into sparkling and well-equipped modern offices – offices which will have no resemblance to their smelly and file-infested socialist *avatars*. Most of the states will also transition in the same manner, or will do so a few months later. Public servants across India will thus move into a far more dynamic, flexible and challenging – as well as more remunerative and satisfying – work environment.

All roles transitioned to Phase 2 would be deemed to be new appointments, with the relevant secretary being the appointing authority. Fully computerized service records will be started afresh and earlier records archived while ensuring that the relevant leave records, records of disciplinary proceedings, and health and safety matters are adequately transferred to the new system. All underperformers would likely have been filtered out during selection processes for Phase 2, and so it is expected that the secretaries would start with a clean slate. But among other things, each secretary would put in place an effective performance management system in consultation with staff to proactively deal with underperformance. Secretaries will explicitly work towards the earliest possible termination of tenured underperforming employees subject to natural justice (except for executives where fewer requirements on natural justice would apply).

During Phase 2 many Ministers appointed earlier to Phase 1 portfolios will no longer retain their roles due to a consolidation of portfolios. These MPs will be tasked with assisting the Freedom Minister to coordinate and complete a review of all existing policy and laws, supported by specialist teams from the IPO.

## 4. In Times of India: Reform the bureaucracy

### 4.1 Article published 30 Jul 2007

We face an inexplicable dichotomy in India between the performance of our public and private sector. While Indian business performance is often second to none, the results of India's public sector are poor beyond description. Delivering simple things like water, electricity, roads and [education](#) are well beyond our capacity. This is unacceptable and an explanation is in order.

The blame for our poor public sector performance can be laid on the way our bureaucracy is structured and on its incentives structure. I base this conclusion not solely on academic comparisons, but also on the learning acquired by working for 18 years in the IAS and for seven years in the bureaucracy in Victoria state in Australia.

Performance of senior Australian bureaucrats was significantly better than anything one had experienced in India. No IAS officer knows more in the relevant subject area, can think as well and as strategically, or lead a team of professionals better, than his Australian counterpart. Australia also constantly benchmarks against the world's best.

Being just a little better than Bihar is not considered sufficient.

A new bureaucracy can, however, emerge in India if certain principles are followed: abolition of tenure at senior levels; open market recruitment for each position; contestability of policy advice to political leaders; market competitiveness of remuneration and extensive delegation of responsibility.

It is true that merit is taken into account at the entry point of the IAS. But merit is not a one-off measure. Shouldn't a secretary to the government be a person with a proven track record? Shouldn't the person be an expert on his subject or a great motivator? What has writing a good [essay](#) in an examination at age 21 to do with being a good bureaucrat?

Second, we do not reward our officers for performance and integrity. The legal protections provided to IAS officers are such that even when caught taking bribes, they cannot be punished, let alone demoted for non-performance. Errant officers increasingly become indolent, arrogant and incompetent, and yet, advance without resistance into the position of secretary.

While Indian taxpayers support this ineffective bureaucracy, thinking perhaps that there is no alternative, advanced countries have used the findings of agency and public choice theory to design systems that reward expertise, [leadership](#) and ruthlessly punish bad performance. In doing so, they have transformed their public servants into dynamic agents of change and excellence.

We need to begin the desperately needed change by making a fundamental shift in accountability, ensuring that the bureaucracy becomes merely one of the many potential [service providers](#) to ministers. This can be done by ministers contractually appointing specialists who are committed to delivering their party's policy platform as their advisers. No file would then go to a minister without these advisers having had a look.

Ministers would then appoint their secretary through an open (preferably global) market competition — in the first instance, on a two-year 'hire-and-fire' performance-based contract — paying a salary comparable with what senior MNC executives get in India. Secretaries would similarly appoint their joint secretaries.

Each of the newly appointed secretaries would then implement a two-year strategic process to restructure the bureaucracy into departments such as defence, justice, external affairs, public finance, physical [infrastructure](#), social infrastructure, commerce, social capital and community, and sustainability. This would involve significant training and redundancy planning.

A public administration Act could under-pin the restructured bureaucracy. Positions requiring significant judgment and leadership skills would be brought under a three-year performance-based contract. By no means will this reform be a panacea for India's chronic misgovernance. Our political and electoral systems need fundamental reforms too. But we must begin somewhere, and changing our bureaucratic leadership will make a big difference.

***The writer is a former IAS officer.***

## 4.2 Letters in the Times of India and other responses

### 1. *P.Sunder Published in TOI 7 August 2007*

The article Reform the bureaucracy (July 30) made interesting reading, not least it was written by a former I.A.S officer. A comparison between the working of private and public sectors with special reference to I.A.S is certainly in order. Sanjeev Sabhlok should be congratulated for well argued analysis that he puts forth. The training of I.A.S officers does not appear to inculcate the skill set required to deliver the targeted performance.

As a layman I feel there is no accountability of the I.A.S cadre. So the civil services are more of a status symbol than a viable service to bring about a change. Corruption continues to be a major problem and who can deny the sustained and growing interference of politicians? The government of the day will have to think hard and to take concrete steps to reduce the size of bureaucracy, devolve responsibility and bring about a greater competitiveness.

### 2. *Shantanu Ghosh Published in TOI 7 August 2007*

With reference to Reform the bureaucracy the writer having been part of the I.A.S for several years must know the kind of ministers we have. Does he expect the ministers to have a technical capabilities or even an inclination to appoint a person as secretary on the basis of their qualifications? Regarding the I.A.S most of them have big egos but know nothing about their departments. No body is expected to know every thing about all subjects. But officers belonging to service should at least know their work, which they dont. Most of the time they do not go to office and those who do work can not delegate.

### 3. *S.R. Wadhwa, Former Chairman, income Tax Settlement Commission*

I am of the view that one single input to improve efficiency in Government is to make most of the top posts selective by competition with private sector and tenure based, say for 5years. Let the competent bureaucrats also compete and get selected if they have not already risen to their levels of incompetence. Weberian model does not work in situations where promotion is based essentially on seniority and/or contacts, what ever lip service you pay to merit.

The system is working very well in USA and in European countries where this has been introduced.

### 4. *Mr. V.S Jafa I.D.A.S (Retd) former Secretay Defence (Finance)*

I am not sure if a minister is given a choice of a secretary he will choose a right person - knowing how they want their candidates to be appointed even as under secretary. But if the PMO takes up this responsibility then perhaps the system can work. Another point - remuneration is important but we will never be able to match the MNCs. Singapore is perhaps the only country in the world where the public servants get high salaries comparable to private sector. In all other countries the public sector does not as much. But there is an attraction in the public service which will surely draw good people from private sector. In fact I know of some very senior private sector people who will surely welcome an opportunity of this kind.

[Sanjeev's note: I'd like to refer Mr. Jafa to a recent Victorian report: "Public Sector Reforms and Public-Private Executive Labour Markets: Public Service for Private Reward?" available at ([click here](#)). In particular, please note (on page 1): "while the fixed remuneration of lower level executives is generally comparable to private sector rates of pay, middle level and senior executive positions are remunerated at about 50 to 60 percent of their private sector counterparts." While this market survey report notes that a Secretary gets 50-60% of the private sector counterpart -- getting about half a million dollars is very good salary, and attractive enough for top quality talent]

*5. Ramgopal. Former Central Sect Service Officer who served many ICS officers before and after partition.*

Political bosses have spoiled the civil services. Corruption of politicians has gradually percolated in all services and even the public too. The preliminary need is to reform India's multiparty political system and election process which has brought us to a point where we face not one but several partitions, a greater bloodshed than in 1947. Our politicians have already sown the seeds of further partition.

*6. H.P.Agrawal*

Problem is who will implement and Why? We are talking of Police Reforms based on 160 Act for decades, why nothing is being done? Today honesty has become the great disqualification.

*7. Mr. P.R Chari I.A.S (Retd)*

Thanks for starting this debate on the bureaucracy, and I trust you will receive several diagnoses and suggested solutions. Here is mine. Observe the qualities that imbue the bureaucrats who have scrambled successfully up the slippery pole of promotion to Secretary, but also those who later get re-employed long after their retirement. That quality is complete obsequiousness and total amorality. A corrupt political and administrative system is not exactly looking for Macaulays.

I am afraid the Great Indian Middle Class is part of the problem. While corruption is decried in drawing room chatter, members of the Great Indian Middle Class--the backbone of any country-- are only too willing to be corrupt to " get their job done." How many people do we know who have stood up and exposed corruption and wrongdoing?

And, now to remedies. I think it new entrants into the civil services should be informed that they can only expect to rise up to the level of Joint Secretaries and equivalent on the merit-cum-seniority principle. All higher posts will be advertised and filled from the open market. Civil servants are, of course, welcome to apply. And, who will do the selection? A revamped UPSC with members from academia and the private sector appointed therein.

Apart from the selection process, much greater thought needs being given to nurturing the bureaucracy and protecting it from the venal politician-bureaucratic nexus. Transfers, for instance, are generally used to break the will of the honest bureaucrat. Civil Service Commissions could help here, as also much greater use of the Right to Information Act.

### 8. *Indrajit Barua, Assam*

The reason why the IAS (and the IPS) don't deliver is SECURITY. They have absolute security of service; their employment, and therefore their salary and perks, are guaranteed, whether or not they deliver results. Ergo, they do not have to deliver results. Introduce the private sector insecurity into their lives and see the fallout. It will wreak miracles for India.

Consider Laloo Prasad Yadav. In Bihar, he was a miserable failure; in the Railways, he is a roaring success. The reason: in the Railways, he doesn't have the IAS and the IPS to help him.

It is the "Security" of service which is the main reason why I.A.S, I.P.S etc do not deliver excellent results for the country. Sh. Laloo Prasad was a miserable failure in Bihar and a roaring success in Railways as no I.A.S/I.P.S was to help him.

### 9. *Dev Chopra*

We as you know are a nation of talkers -- that comment applies more to the young and the retirees, less even to the house wives!

The young, even those touching mid-careers, do their tasks of some responsibility, talk-away their blues, and get smothered by the day-to-day tasks, "saving" their bounty of safe jobs or risky ones -- as long as, the future stays secure.

The accomplished and those approaching retirement (last say FIVE years) are so engrossed in "toeing the line"--whatever it may be, since superannuation or a better set of pensionable plus other goodies remain in focus -- N o t h i n g else.

So who must lead the pack among the politicians or the bureaucrats or the private sector, Sir?

One sees hardly any one -- except those like you, sanjeev and i (the thought gets me full of oxygen in my lungs) or those you have quoted in the TOI article from here or overseas, that provide some excellent answers--but these remain all academic and intellectual thoughts--NO ONE comes forward to "lead the pack". The Doers...

That Sir is the truth...though i agree that the debate ought not to go under!

To conclude, a passing thought, Sir: Vallabh bhai Patel ji did us a yeomen service in integrating the States and "royal-India" into the Union and then the Republic. He moved on, as All of us must at our appointed times--may be he went too soon where India's future is concerned.

We, starting with Nehru ji, himself, created quietly, unknowingly and sub-consciously a new Royalty of the corrupt cum powerful Politician plus the clever, far-sighted & wise Bureaucrat (with the tribe in the private industry/trade & commerce) have NOW a new royalty in place. That and more is what it is!

This polity Sir, runs us, today. See what the HT of Aug. 3 says on its front page headline: "CAPITAL COLLAPSE" and so on. But that has been happening all over our land now for the past 6 decades--except that it has come nearer home in Urban India, which rules the land with NO concern with what the next Ten, nay even Five years have in store, for the weaker sections or the middle class of shining India.

We in parts of our Phase II of DLF were without any electricity for 14 hours -- so what? Look for a generator because the first back up of the Invertor has to give up. What a f t e r the generator? The high rise to keep away from the house breaker? (I have had two in the winters of 1999 and 2000!)

Sir, the human back up of the Politician (any hue-any kind) + the Bureaucrat (including the POLICE & the Defense Arm) and the Honest or not so honest capital related

businessman, are ALL hand-in-glove to give us the governance that the rajahs and nawabss "failed" in providing us, BUT now provide us with a vengeance!

As long as it does not shake-up their and only their, collective or not-so-collective interests.

Who will be able to change the strangle-hold of that human back-up to governance that has come into our fold?

Having rationalised the above, I cannot sit back & hence continue to walk behind you, of course.

To lead, no, there are many more among us who deserve that position and that role!

*10. Mr. Suresh Anand (retired from Hong Kong government Service)*

Sanjeev shows a clear and implementable way forward on reforming our bureaucracy. I do hope the PMO and others who can help to implement are getting such advice and taking action to rid the Indian bureaucracy of incompetence, lethargy and blatant corruption

*11. Amit Kumar Malhotra NRI (A senior Executive in I.T Company in U.S.A)*

The self rule (Swaraj) is not the same thing as Independence. To achieve Swaraj (which is our birth right) our bureaucrats should strongly advise their political bosses to delegate civic and social functions relating to rural and urban areas to the citizens of India. This would also require change of mindset of the people of India.

*12. Other views (summarised; these being views of Dr. G.S Kainth former Professor in IIT Kanpur, Major General Satbir Singh (Retd)) and P.K.Sabhlok, former acting Controllor General of Defence Accounts)*

Bureaucrats should be faithful to the Constitution of India and not to their political bosses when some thing against the Constitution is asked/ordered.

Our Constitution no where encourages corruption, sectarianism based on caste, creed and religion etc.

Some major areas of large scale corruption be analysed and studied whether these areas can be delegated to citizens as part of Swaraj (self rule), grass root democratic concept i.e. G-2-C (governance to citizens) as part of Bottom Up functions against existing Top Down functions.

Constitution of India as amended in 1992 (amendments 73, 74), Society's Registration Act 1860 as amended/modified till date, RTI, Consumer Protection Act, Bhagidari system and many government orders/letters allow delegation to citizens bodies like Municipal Councils, RWAs, Panchayats etc

BUT the main issue is "Are the citizens of India willing to take this responsibility as part of Swaraj (self rule)?"

## 5. Article published in Cabinet Secretariat Newsletter, March 2014

### 5.1 Departmental Secretaries are personally accountable for results in Victoria

**This is the original article I sent in late 2013. I've not compared with the final version published 1 ½ years later. [Cabinet Secretariat version]**

Even the best people underperform in a badly designed system. The fact that India's policy development and programme management, led by IAS officers, is often lacklustre is best explained by the poor systems in which they operate. For this I know: that the calibre of IAS officers is second to none.

The bureaucracy is one of three key governance sub-systems that closely interact with each other. The other two are the electoral system and economic policy frameworks. In the past, India's economic policy, divorced from market signals, explained its systemic governance failures. But India's economic policies are better now. Residual governance failures can now be attributed largely to continuing weaknesses in the design of India's bureaucracy.

In this paper I outline how the bureaucratic *system* of Victoria delivers world-class governance, and discuss the implications for India.

#### **India's "steel frame" no longer the best**

By 1880, British India's civil service was the world's best. Incentive structures introduced by Lord Cornwallis were not foreign to India's existing models of governance. India's great economist and systems thinker: Chanakya, wrote in *Arthashastra* that senior advisers should be paid 800 times more than lowest functionaries. (Of course, he also had many other brilliant insights into what we today call incentive compatible contracts and public choice analysis.)

The UK gladly copied Indian public service innovations. But after independence, India's bureaucracy went backwards. The West, however, kept improving by adopting the findings of the theories of public choice, rent seeking and regulatory capture. Western politicians introduced a regulatory impact assessment process to test public policies for net benefit, and a senior executive service as part of which departmental heads employ the staff. By mid-1990s, Australia had established a sophisticated policy development process managed by contractual senior executives who also delivered government programmes.<sup>6</sup>

By the time (in March 2001) I began working in the office of its largest regulator, Victoria had a truly modern bureaucracy with market competitiveness of remuneration, open

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<sup>6</sup> Halligan, John, 2003, "The Australian Civil Service System", in Tummala, Krishna K, *Comparative Bureaucratic Systems*, Lexington Books, Lanham, MD.

market recruitment by application for each position, flexible arrangements for retirement savings and many other improvements over its earlier tenured civil service system.

Victoria has continued to improve through its 2004 *Public Administration Act* and amendments. In my 2008 book<sup>7</sup> I have compared nine key features of the Victorian and Indian bureaucracies. It is clear that Victoria's system of civil service accountability, along with its electoral system (which includes state funding) and world-class economic policies, explains the outstanding governance experienced by its citizens.

### **The Cabinet is Victoria's Board of Directors**

The best way to think about Victoria is to imagine its Government (Cabinet) as Victoria's Board of Directors, with the Premier as its Chair. Reporting to this Board are eleven departmental Secretaries who can be imagined as its non-voting Managing Directors.

The Victorian Premier is given four years by its citizens to deliver election promises. To get re-elected, he needs to deliver his promises effectively without charging citizens too much for this privilege. He begins by deciding his "machinery" (number and type of departments) and selects and appoints departmental Secretaries on individually negotiated contracts of up to five years. These contracts can be terminated:

- at any time without showing cause (subject to four months' notice or pay in lieu); or
- at any time if the Premier believes that the Secretary has significantly failed to fulfil contractual obligations (subject to four weeks' notice or pay in lieu); or
- immediately, without notice, for reasons of serious misconduct (summary dismissal).

Termination provisions focus the minds of Secretaries. Also (compared with Indian State Governments where Secretaries are frequently transferred) having a clear contractual duration ensures stability and continuity in departments, provided the Secretary performs to expectations.

The Premier selects Secretaries through a head-hunting process from amongst outstanding managers in the private and public sector, and academic leaders. While all public servants are paid private-sector-comparable salaries, Victoria's head of the civil service earns a robust \$600,000 per year<sup>8</sup> (with a component at risk subject to performance). This reward, coupled with the stringent termination conditions, guarantees total integrity. The slightest question regarding a Secretary's integrity will lead to *instant* termination. (Lok Pal type solutions are not needed since incentive compatible contracts preclude the possibility of corruption.)

### **Performance goals and resources**

The Premier then writes priority ("charter") letters to his Ministers outlining his expectations. These priorities flow into specific quantified output targets for Secretaries. But Secretaries can't possibly deliver targets without appropriate resourcing. So the Premier 'purchases' outputs through detailed departmental output statements published in budget papers. These statements include measures with clear link between purpose of funding and the measure, controllability, timeliness, and so on.

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<sup>7</sup> Sabhlok, Sanjeev, 2008, *Breaking Free of Nehru*, Anthem Press, Calcutta.

<sup>8</sup> <http://www.thepowerindex.com.au/melbourne/helen-silver>

With this, the Secretaries are fully equipped. With the right incentives, necessary authority and necessary resources, they are charged with delivering results. There is no excuse for failure.

### **Departments operate like private companies**

Secretaries operate like business chief executives. They hire the best senior executives they can find through open advertisement and build a team that works for them. It is not uncommon for many existing senior executives to be terminated when a new Secretary joins a department. There is no political interference in such decisions. The Secretary is given a free hand so he can't later make excuses for his non-performance. His other senior officers then employ the best people to report to them, all the way down the line. Competitive salaries are paid to everyone within a broad framework established by the Government. It is well understood by everyone that if you pay peanuts you will get monkeys.

Ministers are the Secretaries' key customers. To guide their daily activity, Secretaries create strategic plans in consultation with Ministers. They also actively seek feedback from Ministers to fine-tune departmental priorities, strategies and resources. Secretaries are expected to provide fearless, professional, apolitical advice to Ministers, who can either accept it or ask their own (Ministerial) advisers.

Secretaries also often establish a departmental Board that include non-departmental Board members with capability for strategic focus and oversight. Boards use a committee structure (e.g. risk governance, knowledge management, audit, finance). Separately, Secretaries commission departmental capability assessments to guide optimal resource use. In brief, every management benchmark and standard is used to motivate a culture of innovative ('blue-sky') performance.

### **The crunch time: Performance review**

Annual reviews against contractual performance targets are the main vehicle for assessing Secretaries' performance. Secretaries begin the process by providing self-assessments to the Chair of the Victorian State Services Authority and to Secretaries of the Premier's department and Treasury. These claims are carefully validated by expert teams and the results (and recommendations) reported to the Premier.

As their employer, the Premier may choose to pay a performance bonus to Secretaries who meet his expectations. He may also agree to any average performance bonus for other departmental executives. The Secretary can then pay a bonus to his executives on the basis of their individual performance, within the average established by the Premier.

### **How are Secretaries prevented from overcharging?**

It is a basic implication of public choice theory that bureaucrats will over-charge for their services, particularly since they operate monopolies. Corruption can be stopped, but excess 'fat' and inefficiency is harder to remove.

To ensure that Victoria is not overcharged, a number of processes are used to monitor the costs that Secretaries bill the Government. Detailed price reviews by the Treasury determine the appropriateness of prices quoted by Secretaries. All output targets and prices are also reviewed during the budgetary process. Variances can flag cost control issues, prompting detailed investigation. Secretaries are also required to deliver ongoing efficiencies and a productivity dividend. The cost of each widget produced by Secretaries should fall over time through innovation and better technology.

Finally, Victoria's Auditor General provides the Parliament with detailed performance audits of departmental effectiveness and efficiency, and his recommendations often

prompt systemic improvements. These measures, taken together, ensure that Victorian citizens receive world-class governance at the lowest possible cost.

### **Possible improvements**

No human system is perfect. Contrary to what is expected of them, Secretaries sometimes tailor their advice to suit the expectations of Ministers. After all, they are their pay masters. The pendulum has perhaps) swung too far in the direction of political masters. The Victorian system can be improved through:

- a) an even more merit-based environment: inclusion of independent voices in recruitment decisions to reduce managers' (sometimes significant) biases;
- b) even greater openness to new ideas: consciously engaging oppositional voices at the decision making table to reduce group think;
- c) even greater transparency: departments should be authorised (in moderation) to potentially contest political masters' policy positions by publishing independent working papers; and
- d) even bolder policy analysis: Victoria definitely requires more innovative policies if it is to prosper in the increasingly competitive global environment.

### **Implications for India**

What does all this mean for India? Can India adopt these systemic features and improvements?

Well, it goes without saying that the imperative for doing so is self-evident. The prize (benefits to a billion Indians) is huge. But introducing such reforms will be challenging. The detailed reform pathway outlined in my 2008 book can offer some clues on overcoming these challenges. But in the end this will require a vision, a dream. Every starry eyed young recruit to the IAS has the dream of making India the world's best place. There are perhaps no greater well-wishers of India than members of the IAS. In any case, few work harder. Maybe it is time to work smarter.

If the shared goal of India's leaders of the political system and bureaucracy is to improve India's governance and unleash India's massive potential, then a way forward can be found. It must be found.

## 6. My blog posts on IAS etc

### 6.1 The IAS must go

#### My blog post

Let me emphasise once again that India cannot achieve its potential just with so-called capitalism which is often (but wrongly) understood to mean (only) economic freedom. Without an appropriately designed machinery of governance, there can be no capitalism.

**Apart from reforms to India's economic policy, therefore, VERY significant reforms are needed in the way we elect and remunerate our politicians, and in our bureaucracy.**

I have outlined the reforms to the electoral system and bureaucracy at some length in *BFN* (chapters 4 and 5), and encourage you to go through these chapters in detail. In addition, I have summarised the reforms needed to India's bureaucracy in an article in the [Times of India](#) and a later article for [Freedom First](#).

Please read these to appreciate the outlines of the system of bureaucracy that India needs so it can effectively deliver the *few* objectives of a good government in India.

In brief, as you will note, **the IAS must go**. That COLONIAL system of bureaucracy is so badly antiquated and ineffective that it amazes me why we have not replaced it with a functional bureaucracy.

### 6.2 The thick headedness of some of my IAS batchmate

#### Source

While I was on the topic of IAS, I thought I'd also share the following comments by a batchmate (let's call him RSP). Such is India's fate – to be "ruled" by either totally corrupt or totally arrogant "senior" bureaucrats who are never accountable for anything they do in their life and are ruining India through their TOTAL ARROGANCE.

And they will happily point fingers at politicians (I'll come to that separately! – a further recent interreaction).

**I rest my case. The IAS MUST GO.**

**RSP:** Capitalism cannot have any religious hue.. It is ruthless and materialistic... sans any religious motivation... **Capitalists all over the world are – "CHOAR CHOAR MAUSEYREY BHAAYEE" .. AND SO ARE THEIR IDEOLOGUES...**

**Sanjeev Sabhlok** This is an entirely incorrect position re: capitalism, the most moral system of all. Do study it. You may wish to start reading my book, *Discovery of Freedom*, still under preparation: <http://discovery.sabhlokcity.com/>

**RSP** Books on the evils of Capitalism outnumber those on evils of Socialism... by a factor of 100 is to 1.... Read them all...

**Sanjeev Sabhlok** I suggest the truth doesn't depend on numbers. Fools tend to follow numbers. The wise think for themselves.

**RSP** Every ideologue considers his own view to be the supreme ..the rarest among the rare... fools included...

**Sanjeev Sabhlok** RSP you are commenting without understanding, nor reading what I've written. I must ask you to either give me the courtesy of reading my work or leaving this group. Thanks!

**RSP** The five Gems of Truth (1) Wise think for themselves... They don't read others' books.. They write their own books..

(2) Fools follow numbers.. Wise follow their own path..

(3) If one does not read the book of the wise , he must be driven out of the arena.. Only those who follow the self-proclaimed "wise", are allowed to remain..

(4) Those who differ with Capitalist ideologues, must be branded as misguided ...

### 6.3 A VERY senior IAS officer (my batchmate) with ZERO interest in India's children's future

[My blog post](#)

A batchmate from IAS 82 batch (let's just call him SK) engaged with me today, demonstrating the very same characteristics which have RUINED India.

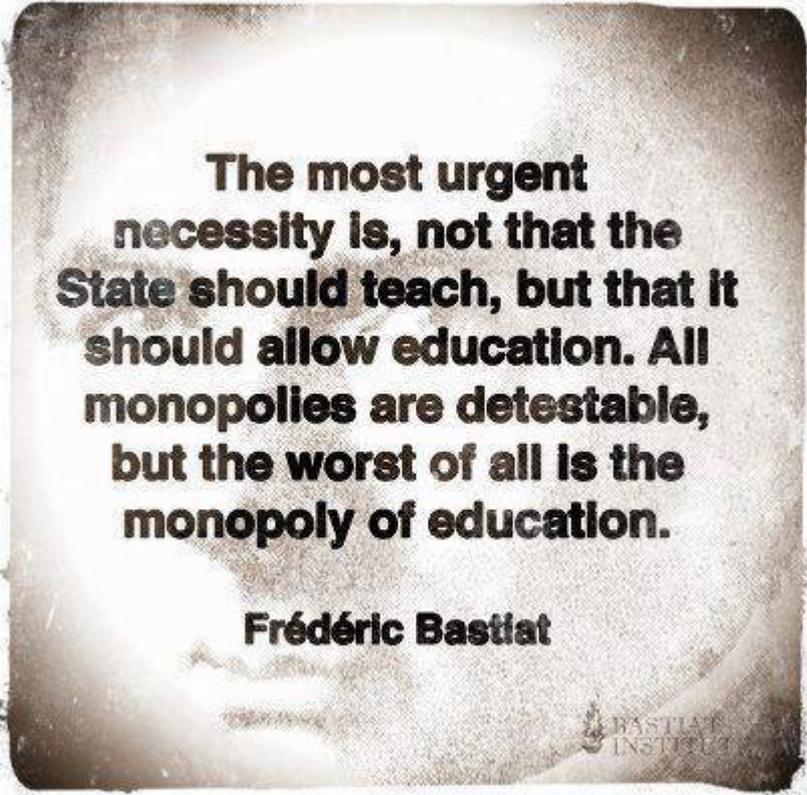
**I also notice he "unfriended" me on Facebook by the time I got to send him further information. So much for the SUPREME ARROGANCE of IAS officials, who not only refuse to learn, but when questioned, become your enemy.**

I'm QUITE FINE with having such people as enemies.

==EXTRACT==

**My comment:**

Let the state stop running schools. And get out of setting "syllabus". I'm happy for a minimum standard e.g. PISA related which ensures a second layer of check to that of natural competition, by providing objective requirements of quality, but that's a small part of what is taught. Schools should be free to reach out and teach the best. We don't need bureaucracies to set the syllabus.



**The most urgent necessity is, not that the State should teach, but that it should allow education. All monopolies are detestable, but the worst of all is the monopoly of education.**

**Frédéric Bastiat**

Here's the rest of the conversation:

**SK Sanjeev Sabhlok**, I have been the Education Secretary of a State. The syllabi for school education are prepared by a cross section of subject matter specialist academicians drawn not only from within the State, but all over India. Both the private and government schools coexist. The government schools and government teachers have also produced the brightest of students. Sanjeev, there are issues of inclusive development, and also arguments in favour of affirmative action through the State instrumentalities who are not driven by the considerations of profit alone. And above all, we have to appreciate our challenges in the Indian context. By the way, Sanjeev, you have left IAS for the reasons I don't know, but why should you carry your bias against the civil services? There are good and bad specimen in all walks of life. What is necessary is to have an open mind and tap the best resources. Believe me, the bureaucrats can be as useful as anyone else, and vice versa. We appreciate people outside the government for their valuable contributions to public interest. We expect and deserve the same rationality and poise from everyone, including the stand-alone know-alls.

about an hour ago

**Sanjeev Sabhlok** I too was Secretary of Schools (in Assam). The key is not just syllabus, but the fundamental design. Government should get out of managing schools. Light handed regulation, plus direct funding of needy students (through vouchers not cash).

about an hour ago

**SK** The right time will come for that. The Indian transformation can not be carried through jerks and jumps. Transition has to be carried through a process of evolution. Government is gradually withdrawing fully or step by step from such

areas where private sector is ready to take over. The transition can not afford a vacuum of services even for the shortest time. Private players are showing greater presence in telecommunication, health, education sectors. To that extent, government is withdrawing. It is to be seen whether the private players go beyond green pastures to uneconomical areas too. Yes, direct cash subsidies are a better option, but the Indian challenge is too big and we will take some more time to reach a foolproof cash subsidy dispensation platform. We know very well the options offered by economic theories, but it takes time and effort to provide a reliable and foolproof mechanisms of delivery in the local contexts.

**Sanjeev Sabhlok S**, the reality is that bureaucrats in India don't want to give up their empires, nor do the politicians. I don't expect reforms to occur in India since there is no internal capacity to study world-best practice. Where these have to occur, they have already occurred. Time waits for none. In the meanwhile we are producing dunces. India's schools are the world's lowest in performance. Our children in class 5 can't read what others read in class 2. So kindly carry on whatever you are doing, but I'm not supportive of any excuses that destroy the lives of hundreds of millions of children. If there is no urgency to our reform actions, we will become the garbage bin of the world.

**SG** पर सरकार कहती है की यदि हम शिक्षा नहीं देंगे तो लोग अपने बच्चों को अशिक्षित रखेंगे उन्हें स्कूल नहीं भेजेंगे !और इस तरह से देश अशिक्षित बन जाएगा !फिर तो देश में कोई भी पढ़ा लिखा नहीं बन पायेगा !क्योंकि आजादी से पहले देश में एक भी शिक्षित नहीं था ! You are talking quite absurd mr. Sablok on government to stop running their schools. Are you in a capacity to make the payment of equal amount of Rs 144000 crores the politicians earn per year out of primary education only through bribe? If not then you can't talk of stopping govt schools. That is the largest business empire with monumental returns for the govts/ for the rulers in this country and this system could have been established through consistent efforts by the govts and their allies...

**SK** I can't help remove the biases. We have no empires, and therefore no urge to hold on to them. It is also an insult to our own country producing millions of the brightest professionals when you brand our students as dunces, i.e, dull – witted idiots. And it is again an exaggeration that we are the lowest in performance in the world. The easiest thing is to lecture and pass value judgments, rather than doing something yourself on the ground. I have travelled most parts of the world, attended seminars, workshops, structured trainings, and keenly studied the systems in the context of identically placed school students in terms of poverty, health, housing and nutritional access. To say that we in government do not have the internal capacity to study world's best practices is a joke, and nothing but intellectual arrogance. Rest assured, we are right minded people, and claim our share of patriotism and public spiritedness. Who said we have no sense of urgency in reforms, but despite nudges, we can not lead the people to cross the river just by calculating the average depth of water.

**SG** Despite all efforts and huge expenses we are put at the lowest notch in a survey of education quality in 73 countries. It was 72. The cost of education for

primary education in our country we pay is some what around 4000-5000 per month/student where as the same quality of education in open market worth Rs 30/- only as we have conducted a survey in 100 schools. See the gap is the amount of corruption the govt can't leave the lucrative business so easily.

**Sanjeev Sabhlok** S, the only international comparison of Indian students with international was done last year (PISA). China was No.1. India was LAST. Only two states agreed to get tested. HP and TN. My blog is down but I could have pointed you to the results, in case you are not aware. I'm sorry, but if you are not even aware that India is producing dunces then how can you possibly take corrective steps? Please don't be defensive. I've seen the IAS thoroughly. They are least interested in reform. I came all the way to IIPA to speak and explain for 2 days and not ONE IAS officer attended. I know exactly what interests them: UN/World Bank jobs, etc. Not reform. That don't expect from the IAS. Let's be very honest. I've also not seen a SINGLE paper by any IAS officer that promotes genuine reforms in any field. And that's not for want of trying. I've been keenly following all reform efforts in India for many years. Whatever little reform has come has come from outside. And 90 per cent of IAS officers get "outstanding" ACRs! Please let's first become honest. Then we can do things. Without honesty India will suffer even more, as governance standards continually decline.

a few seconds ago

**SK** O my God. Sanjeev, is the object of this discussion to mutually benefit for performing better in respective roles, or single handed IAS bashing? I think most of the IAS officers would not have attended your lecture for the same reason. If it is a sin to join IAS, most of us including you committed it. And if it is a sin to continue in the IAS, we are committing a sin. By leaving it, some attain sainthood. You seem to have an upper hand on that score. Lets forget about these discussions and focus on our job.

**Sanjeev Sabhlok** This was about education. You clearly don't even think this is a problem. That's why I brought in the whole of IAS – which has grossly failed in its fundamental duty to even understand the problems, leave alone find solutions. I hope you realise it is your job to research and offer India solutions. Not your job to deny the existence of problems. **It is my job to point out that there are fundamental reasons why India's bureaucracy is so defensive and will never bring any reforms to India – it is totally unaccountable for results. Do you see where I'm coming from, now?** We should talk SYSTEM REFORM. but you are refusing to even accept that something is wrong.

[And finally my blog is back and here's the post. But before I could show this to SK, he "unfriended" me!!!!]

<http://sabhlokcitey.com/2011/12/himachal-and-tamil-nadu-bravely-face-the-truth-about-their-rotten-education-system/>

#### 6.4 IAS the “stereotypical redneck, inbred hick babus!!” Their time to DESTROY India is up.

[My post.](#)

I thought this [comment from Aditya Kadambi](#) on the IAS deserves its own post.

I am 100 per cent clear now that ALL TENURED SERVICES MUST GO. **There must be an accountable system where anyone who doesn't deliver is FIRED ON THE SPOT and BOOTED OUT ON THE STREET.**

**Any semblance of tenure from top levels in the bureucracy must be stripped out.**

See also [my tweet to K Bedi today](#).

These chaps come across as stereotypical redneck, inbred hick babus!!

Human beings in different parts of the world are similiar in many ways & different in other.

**Singapore & South Korea are examples of asian nations that changed course by accepting what is sensible.** Even the feudalistic UAE has at the bare minimum benefited economically. Now it is obvious that the treatment of migrant workers & labourers in that nation isn't up to scratch. The UAE has refused & continues to refuse, to sign any global migrant workers treaties. However, it must not be forgotten that most, if not all, of these labourers & migrant workers come from India. Especially Kerala! These labourers leave labour utopia & Hartaal Heaven for what is, practically speaking, labour hell. They CHOOSE to do the same!

**Now it is a slap, nay, a full blooded left Tysonesque hook on their fragile jaws, that these hardline statistis can't defend!**

**They come across as puerile, arrogant & pointless! The constant insistence on the idea of these being 'foreign' models & hence not worth implementing/trying out in India nauseates me.** Democracy itself as we know it today is 'foreign'. The language we are using to communicate with each other isn't sanskrit, but a west germanic language. These groups were savage when we were civilised. Now they lead the world in ideating. The Scots learnt the english language & learnt from the english some centuries ago. In no time, they were competing & excelling at medicine & science (engineering) on their own. They outclassed the english here. These babus haven't read about the scottish enlightenment have they? Bloody swadeshi loons!

But can liberty, be a 'foreign' concept? Isn't it a human concept? Isn't it a core human civilizational idea? I would think so.

This insular, frog(toad actually) in a well, refusal to learn from 'foreigners', is EXACTLY what caused the last millenium's horrifying brutalisation of our civilization. Al Beruni or Al Biryani as I call him, said exactly this while referring to Indian's at that time. They were complacent, and had no idea of other civilization's progress. They had no inclination to learn & were self righteous exactly like these morons.

It is remotely possible that Indians down south invented the first martial art form. Let us assume for argument's sake this is true, fact remains it is the chinese, the japanese, the koreans, the thais & even the brazilians AFTER they came in contact with the Japanese(influx into Brazil post second world war) that developed & evolved the martial arts & their ideas.

Disappointing!

## 6.5 IAS – the enemy of India

[My blog post](#)

There is a word of caution I thought I'd share with those who are aspiring to join the IAS and other civil services in India – that they will effectively become ENEMIES of the Indian people. There is virtually no way to escape from that outcome.

A picture below that I shared on FB (It is a slight tweak of something I found on FB):



And now some comments I shared on FB:

We DO NOT need the IAS. It is a DISASTER. We need a merit-based contractual appointment system. The IAS is poison for India. With a modern administrative system India will do FAR better. And, of course, we need excellent politicians as well. (read <http://bfn.sabhlokcity.com/>)

[Those who join the IAS are] the implicit SUPPORTERS of corruption and socialism.

[Those who want to join the IAS] must closely watch out for the 'system'. If you allow yourself to be co-opted and therefore serve the corrupt, you will become the enemy of the people.

**Reminder:** My *Times of India*

article: [http://articles.timesofindia.indiatimes.com/2007-07-30/edit-page/27952090\\_1\\_ias-officers-bureaucracy-public-sector](http://articles.timesofindia.indiatimes.com/2007-07-30/edit-page/27952090_1_ias-officers-bureaucracy-public-sector)

## 6.6 The IAS – “I’m Arrogant Service”

[My blog post](#)

Hubris, arrogance: these are the fundamental flaws of human nature, and they display themselves prominently among many, if not all, members of the

IAS. Hubris also comes with its counterpart: fear of being exposed. The combination is intellectually lethal.

Undoubtedly possessing high quality brainpower, the IAS officer is predominantly destined to mediocrity – and worse. Forced, on the one hand, to manoeuvre between political masters who come with socialist or communal ideas, and who are invariably corrupt; and, on the other hand, prevented by conduct rules from engaging in public discourse on the nature of policy and the bureaucracy, the IAS officer is compelled to live inside a shell, cocooned from reality, refusing to correct his or her bad ideas. A classic case of under-performance.

I don't know when the transition occurs from high-quality student to arrogant fool, but most IAS officers manage to become arrogant fools by their late 20s. The great curiosity and mental capacity that brought them into the civil service in the first place is effectively a thing of the past. Most IAS officers soon adopt, unquestioningly, the ideas of socialism that are part of their training and interaction with colleagues and politicians. Foolish ideas are their only currency. Naive in the extreme, hoping that government projects and initiatives can lead the economy, they become worthless to the country.

Many IAS officers are sent to study abroad, but academic studies in world-class institutes are no substitute for actual experience of the functioning of public policy in advanced countries. It is not surprising that even those IAS officers who have obtained doctorates from the best American universities turn out to be duds as far as policy formulation is concerned.

Two things matter the most: (a) incentives and (b) the right experience. The lack of appropriate incentives within the IAS is fatal. Promotions have NO RELATIONSHIP with competence. Therefore the desire for lifelong learning is very weak. Indeed, anyone who tries to suggest reforms is sidelined. That brings self-development to a grinding halt. On the other side, IAS officers' work experience is limited either to Indian governments or to international institutions – which are extremely superficial and have no relationship with how governments actually function in advanced nations.

It is impossible to destroy the bad incentives in the IAS without abolishing it. This, I have explained in [BFN](#) (and in this article in [Times of India](#)). Merit must never be a one-off activity, but a **lifelong endeavour**. India's governance rewards seniority. That **must** change. The idea of "seniority" is the death knell of progress. A more useless idea can't be imagined.

The combination of these incentives means that members of the IAS refuse to open their eyes towards the actual practice of public administration in advanced countries. Without such actual experience and understanding, mere academic training is pointless. The civil servants of India must be exposed directly to working within advanced governments. I have proposed this repeatedly in my writings – that the West should abandon foreign aid and, instead, help to directly train (through on-the-job placement, not academic training alone) some of the more talented developing country bureaucrats.

As I have indicated in [BFN](#), I have learnt far more about the way the developed world runs by working inside the bureaucracy in Australia, than from my six years

of high quality education in Australia and USA. Academic education has its limits. Three months of on-the-job experience is worth ten years of academic training.

Why I call the IAS the "I'm Arrogant Service" is that despite innumerable contacts with my erstwhile colleagues over the past many years, and writing a number of articles and a book on the subject, there has simply been no interest among these officers to ask questions about how Australia works.

Many IAS officers have come to Australia over the past 10 years and many of them have met me, but NOT ONE OF THEM has shown **any** interest in learning about the key differences between working in these governments. I have offered, on innumerable occasions, to discuss these matters, but no one is interested, so secure is their sinecure. Why would you care about anything new if your job (and pension) was assured regardless of your contribution? [I'm not saying that the Australian system is perfect - far from that: I'm saying that there are vital lessons India needs to learn, before it can go beyond these developed nations.]

Note that I'm not talking about junior people here. I am talking here about Joint Secretaries in the government of India – people who effectively govern India. I also remember making a suggestion to the head of the National Academy in Mussoorie about being a speaker should they so desire. After all, in 1994 when I was appointed as the Professor of Management at LBSNAA, I only knew so much: pretty limited compared with what I know today. Today, however, I think I have something particularly useful to offer – but there are no takers. Their mind is shut.

Most IAS officers are super-arrogant with a tunnel vision, unable to recognize value and seek out useful new information. They would rather listen (with one ear) to 'international experts' who often have no idea about how good governments **actually** function, than one of their own – someone who can provide useful insights on the basis both of academic knowledge and of extensive and unique experience of working within the Indian and an advanced country government.

It is clear that Indians are their own enemies. And among the greatest of these enemies are members of the IAS – totally disinterested in learning anything new.

The more I see of IAS officers the more I'm convinced the service **must** be shut down.

## 6.7 Girish Chandra Murmu IAS 1985 batch – Modi's right hand man – caught TWICE on tape sabotaging justice

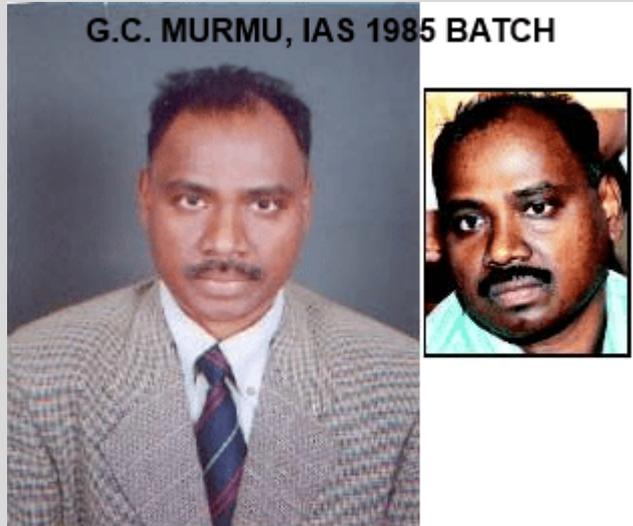
Many IAS officers have been actively involved in criminality.

[My blog post.](#)

I have many good friends in the 1985 batch but I have not met [Murmu](#). Unlike most IAS officers, I notice Murmu has NEVER had a central deputation. This raises questions – which I'll not touch upon for now.

(In the Gujarat cadre my batchmates are Amarjit Singh (Secretary UPSC), Tapan Ray (MD of Gujarat State Petroleum Corporation), HV Patel (Commissioner of

Commercial Tax) and A K S Sutaria (Revenue Inspection Commissioner). I also know Joy Cheenath (1979) particularly well, since Joy and I were together at USC for our PhDs. Joy is MD of the National Agriculture Produce Marketing Company of India Ltd.)



It seems that Murmu developed strong links with Modi over time and has occupied two key roles in Modi's government since 1 October 2004. He is both Secretary to Modi and the Secretary of the Home department. **It is through Murmu that Modi operates.**

MURMU (ON BEHALF OF MODI) HAS BEEN CAUGHT **TWICE** ON TAPE SABOTAGING THE JUSTICE SYSTEM:

- 1) The first tape relates to his THREATS and bullying of Sreekumar that I've discussed [here](#).
- 2) The second tape relates to his attempt to sabotage the justice system in the case of the Ishrat Jahan fake encounter case.

"The CBI team probing the Ishrat Jahan fake encounter case on Saturday questioned **G C Murmu**, the Principal Secretary to Chief Minister, and Ahmedabad Crime Branch Joint Commissioner of Police A K Sharma in connection with the voice recordings submitted by suspended SP Girish Singhal. The voice recordings, now part of the chargesheet, contained alleged details of a meeting held at Advocate General Kamal Trivedi's office where a group of officers reportedly discussed ways to sabotage investigation in the case.

Singhal, who was arrested in the case and is now out on bail, had submitted to the CBI two pen drives containing discussions reportedly held between government officials, lawyers, ministers and police officers that he had secretly recorded in November 2011. According to the alleged voice recordings, Murmu, Sharma, former minister of state (Home) Praful Patel and former Law minister Pradeepsinh Jadeja discussed the case with Trivedi."

**He is denying but CAN'T THE CBI DO A VOICE TEST????**

So now we have TWO SMOKING GUNS just related to Murmu. And of course there are MANY MORE smoking guns everywhere. The trigger was pulled by the same man in each case: Modi. He is clearly the mastermind.

It is amazing that India's smartest Investigators can't piece the events together. Either they are incompetent or they are biased or they are under pressure. We know that during Vajpayees's era that could have happened. But what about the last 10 years of Congress? Is there still pressure on SIT/CBI?

The bumbling **idiots** of SIT/CBI are still struggling to piece together evidence. Reminds me of the two detectives in Tintin. Only, the bumbling in the Modi case is not funny. He should have by now been prosecuted for MANY cases. Being the Godfather, all roads lead to him.



(Pictured above: SIT and CBI)

#### ADDENDUM

Murmu has also been involved in [bribing Harsih Salve](#). More details [here](#) or [here](#).

## 6.8 IAS Culture of Graft, Revealed by an IAS officer

### [My blog post](#)

My father forwarded this email which raises important issues. But note that I don't agree with Pande's analysis which focuses on "sociological" not fundamental issues that lead to corruption and misgovernance – see my comment later.

#### **The concept of the IAS itself is an anachronism in a democratic framework**

— Forwarded Message —

**Sent:** Tue, June 28, 2011 9:43:44 AM

**Subject:** IAS Culture of Graft, Revealed by an IAS officer

Are the services suffering too from a similar, increasingly more pronounced, cultural divide amongst its officers leading to increasing cases of moral turpitude?

**IAS design conducive to graft**

*by Amitabha Pande*

TWO months ago, Neera Yadav, former Chief Secretary of UP, was convicted and sent to jail. Soon thereafter, BS Lalli, CEO of Prasar Bharati, was suspended on allegations of corruption. Both were my batch mates in the IAS and my memories of them as probationers are so completely at variance with the reputations they acquired later in their careers that it becomes both sad and difficult to reconcile the two.

Do social origins and the cultural milieu in which one has grown up have a role to play in the kind of IAS officer one eventually becomes? At one level, all bureaucrats have been corrupt in some way or another — favoring friends or kinsmen or persons of a particular region, using the perks and freebies offered by PSUs and so on. Worse, many have readily condoned or did not resist the corrupt behavior of those wielding political power. A few, however, become known for the voraciousness of their appetite for material acquisitions. What makes for this change in behavior? Were the symptoms, or the ‘lakshanas’ of such behavior always there?

### Categories

When we joined the IAS in 1971, the entrants could be broadly grouped into three distinct, occasionally overlapping, categories. There were those of us whose parents had been/ were in the **higher echelons** of civil service or senior management positions in the boxwalla companies. Most of us had been to public schools and our undergraduate years had been spent in the elite colleges and universities of India.

The second social group in the IAS was also from an **urban middle class** background but with a strong non metro, medium sized city bias. Belonging to cities such as Chandigarh, Ludhiana, Kanpur, Nagpur, Sagar, Baroda or Mysore, their parents were mostly from professional, technical backgrounds working in the middle rungs of their organisations. They were deeply rooted in the emerging Indian middle class and the IAS was a very significant part of their aspirational growth.

The third group had closer links with the **rural and provincial** than the second. They were deeply and integrally connected to land and land relations. The IAS of their imagination was still rooted in a semi- feudal, patriarchal order. Their most distinguishing feature was their unease with the English language.

This threefold varna is probably sharper in retrospect than it was at that time and many of us fell in between these groups.

The distinctions were primarily cultural and the English language the main dividing line. Many of us in the first group were half ashamed of our elitist origins. To our social guilt tainted eyes a person like Neera appeared a shining example of someone who had fought her way out of a chauvinistic, patriarchal social order.

To understand what changed, tracing the career trajectories of the three groups can offer interesting sociological insights.

Those of the third group rarely sought careers in the central government, saw little benefit in acquiring specialized technical and professional skills, and had very close relationships with provincial political satraps and local traders and

contractors (forests, mines, liquor, cement, kerosene, civil works). All of them displayed a **tremendous appetite for acquiring landed property. The economic profiles of most changed dramatically between the beginning and the end of their careers.**

Those of the second group, while not averse to central government careers, focused on jobs traditionally associated with power and status — Ministries of Home, Defence, Industry and cultivated low profile politicians powerful in the backrooms of party politics to secure posts in such Ministries and Departments.

For the majority of them wielding authority, was more important than making money. **The corrupt among them concentrated on opportunities in Government procurements, industrial licenses and approvals etc.** Unlike the third group, their accumulation was relatively discreet and modest in scale.

Those of the first group made a beeline for careers in the central government, as far as possible in Finance, Commerce, Industry or the Infrastructure ministries — jobs that offered the maximum potential for international careers and foreign postings.

Most jobs required dealing with international treaties and protocols and therefore superior skills in communication in English gave them a natural advantage.

Their relations with the political masters tended to be awkward until the Rajiv Gandhi regime brought in the generation of politicians with very similar cultural backgrounds.

**The corrupt among them brought high levels of sophistication to corruption itself, making it knowledge- and skill- based.**

While **some may have salted away fortunes in tax havens**, most corruption was a kind of lifestyle corruption rather than crass accumulation of property.

### **Generalizations**

Several generalizations can be made from this descriptive account. One, that the differences in the internalized image of the IAS between the three socio- cultural groups were substantial and determined future behavior. Two, the language of discourse which persons like Neera and Lalli were used to, being steeped in provincialism, showed a very high degree of acceptance bordering on reverence for existing socio- cultural hierarchies.

The Public School/ St Stephen's lingual environment, on the other hand, encouraged irreverence and reflected a less socially iniquitous culture. Three, each of these language based categories occupies its own distinct cultural and moral universe in which standards of what is acceptable behavior differ substantively and qualitatively.

A major part of the problem in the IAS stems from an inherent design flaw. The architecture of the IAS was consciously drawn from the ICS and it was premised on a social and cultural distance between administration and civil society on the one hand and between the political executive and the civil servant on the other. **It was self- consciously elitist and relied on creating a kind of Brahmanical mandarin**

**which was specifically groomed for the task of governance. The critical mass had to consist of people who shared a certain cultural ethos.**

Such a design was obviously at variance with the rough and tumble of the Indian democracy where Realpolitik was increasingly emerging as the only 'Real' Politics.

**Instead of redesigning the architecture appropriately to the changing socio-political context, the IAS was sought to be retrofitted by tinkering with its basic design.**

#### **Flaw**

The policy makers gradually sought to broaden the recruitment zone to include more and more of those with a vernacular background. This was done in the naive hope that by inducting persons of more vernacular social origins and giving them the same elite status the system could be made more sensitive to the underprivileged.

What has happened is the opposite. A new, more aggressive vernacular elite has replaced the earlier one, bringing in a whole new culture where pragmatism, expediency and moral elasticity are the presiding virtues **and the exercise of petty tyranny and corruption a legitimate practice. The flaw in the design is in the idea of the elite in a democratic system not in the social composition of that elite. The concept of the IAS itself is an anachronism in a democratic framework and tinkering with its design makes it prone to 'corruption' in a very fundamental way.**

To think that one can actually engineer an elite force which is trained into social conscientiousness and good governance and which remains immune to changes in the socio-political environment is not just naive, it is dangerous. Just think of the number of new, techno-savvy, culturally sub-educated, petty tyrants who get added on to the monstrous apparatus that is the Indian State and tremble with fear! What is the alternative? As that contemporary of the Bard said: 'Another time another place... Besides, the wench is dead...'

*Amitabha Pande is a Punjab cadre IAS Officer ... now retired...*

## 6.9 Is a stench of corruption arising from the Academy that trains IAS officers?

### [My blog post](#)

My father brought to my attention the following case (probably related to one of my close relatives, but the issue is generic and we should all be concerned). It appears that the place where IAS officers are taught the principles of integrity and good governance, is now perhaps itself involved in corruption.

These are the facts (through a formal RTI request, complete notings in the file have been obtained, so the position outlined below is based on direct knowledge):

1) LBSNAA invited tenders for a particular urgent work for its library.

2) The concerned officers, after technical evaluation, **recommended that contract be awarded to the Lowest tenderer (L-1).**

3) Notings in the file took U-turn and suddenly Director agreed to cancel the tender and invite fresh tender.

4) This time the tender **introduced two conditions that specifically made L-1 ineligible:**

a) Having known that L-1 has done similar work of automation of Library using RFID (Radio Frequency ID) in three major Libraries of India, the revised tender introduced a condition that **only** those who have done such work in five or more libraries are now eligible.

b) As a double precaution one more clause was added that **only specified Software** of a particular company should be used.

This made it effectively a single tender suiting ONLY the favoured party. L-1 was disqualified despite a demonstrated, tremendous capability (if it is the person I think it was, then that person is an IIT alumni – one of the few who didn't migrate outside India in order to serve the country), and cheaper price. [Btw, from this person, I have heard innumerable stories of corruption in government offices]

5) LBSNAA thereafter **closed the matter** by responding that the matter "has approval of the Competent Authority and no further correspondence can be obtained".

I do hope there was a **genuine reason** for forcing the Indian taxpayer to pay a HIGHER price for work that could have been successfully completed at a cheaper price. Without such genuine reason this behaviour is **very suspicious**.

Indeed, if there was a genuine reason to look for a particular software or for someone who had already done RFID work in five libraries, that should have been reflected in the original tender. And why was a particular software sought? We should specify outcomes, not the means.

Therefore the cancellation of tender to **specifically exclude** the lowest party is VERY FISHY!!!

#### **Independent investigation needed**

I would like to request the Director of the Academy to IMMEDIATELY STOP WORK ON THIS PROJECT AND INVESTIGATE THROUGH AN INDEPENDENT PARTY (since he was directly involved in cancelling the first tender).

Once he is satisfied about the facts of the case, he should issue a detailed clarification on this blog so I can assure the public of India (and the world) that THE IAS ACADEMY HAS NOT ITSELF BECOME A DEN OF CORRUPTION!

Till such clarification is received, the reputation of the Academy is **no longer clean, at least in my eyes**.

I suggest that it is NOT GOING TO BE POSSIBLE TO TEACH IAS OFFICERS ABOUT INTEGRITY IF THE ACADEMY'S REPUTATION IS SO DAMAGED.

We were taught (at the Academy) in our days that not only must we be clean but we must APPEAR to be clean. This case DOES NOT give the appearance of integrity.

Indeed, why not have this issue investigated by Officer Trainees, and let their report be published? Let them use this as a case study on corruption/ allegations about corruption.

## 6.10 My father's compilation of views on the IAS

### Myblog post

Here's something my [father](#) wrote a few months ago. I'm posting it here as I randomly came across it today. He writes a lot but doesn't use the blog I have created for him. (I should perhaps post his public emails – which are mostly on the Vedas – on the [blog I've created for him](#)).

Note also that in my view the issue is not the IAS but the entire system of bureaucracy. We deserve a modern governance model, *that works*.

MY FATHER'S EMAIL:

**What stops “WE the overreign People of India” in getting world BEST Public Service Model for our democratic secular country.**

Dear All,

**There is an urgent need for an all India debate on the subject of continuation of Colonial Model of IAS Bureaucracy in its present form.**

Views of some former Retired/Ex IAS officers (B.S.Raghavan, Shankar Sharan, Dr S Sanjeev and many others) are given below.

#### **A. Views of B.S Raghvan IAS (Retd Secy Govt of India )**

1. Appointments based on one time competitive examination with no periodical weeding out of the incompetent and corrupt induces smugness and militates against accountability.
2. Healthy debate on some alternate model is necessary.
3. Originally IAS was seen as replica of the ICS- incorruptible, independent, public spirited and result oriented. Unfortunately the system did not work as originally contemplated. All this has been eroded in the last 60 years.
4. While the Armed Forces, Foreign Service and many other Central Services are indispensable and necessary for nation building, but without IAS country would not come to stand still.
5. There are instances when non IAS persons when posted into top echelons usually earmarked for IAS, distinguished themselves by their higher caliber and competence.

#### **B. Views of Dr. S. Sanjeev PhD- former Secretary and Commissioner**

1. If IAS as a Service does not want to be ousted, it must establish as its role mission the delivery of world-class standard.... Otherwise IAS is destined to be guillotined in the not too distant future.
2. Today IAS is a smashed up auto-riksha. They are busy in filling TA/DA forms, chasing after their pay slips, ensuring their pay scales remain higher than other services, chasing car/house loans and other bits and pieces of Personnel ministry, local treasury pursuing with Accountant General office lest they have trouble on retirement in getting right amount of Pension.
3. Most of the IAS officers confirm their own poor ability of leadership by passing the buck to politicians. There are umpteen areas where political leaders do not play any role in their work and functioning....Dr. S. Sanjeev has mentioned a large number of such areas in

his well known book Breaking Free of Nehru. Let's Unleash India available on Website <http://bfn.sabhlोकcity.com>>

4. Whole world public services are evolving and reforming. In IAS it is total stagnation in ideas. We apply principle of competition and merit in assembling cricket team but do not apply in IAS bureaucracy.

5. Till date in the last six decades IAS officers have not made any distinction between Independence, Freedom and Swaraj (governance to citizens). This lack of distinction has led to ineffective and weak local governments. Cities after cities are becoming urban nightmare under their non accountable and non transparent administration.

Etc etc...

### **Views of others**

Politics the noblest Endeavour of Gandhi, Nehru, Patel under the strong steel frame of ICS officers has been made the dirty mafia Politics by the rusted steel frame of IAS bureaucracy's selfish, non transparent and non accountable advice by ensuring that needle of blame always moves towards political leaders.

The famous saying In Bihar mentioned by an IAS former Secy to Govt of India- Bihar cadre- "IAS officers are *"Garam, Naram and Be-Sharam"* After training in the IAS Training Academy they are *garam*- highly enthusiastic, soon under political and senior officers pressures they become *Naram*- insensitive and players in shuttlecock game in regard to taking decisions and later they become *Be-Sharam*- freely resort to corrupt practices and encourage young IAS officers who are inclined to corrupt practices. All honest IAS officers are sidelined as OSD (officers on Special duties).

### **Ground Realities**

Many Newspapers mentioned during recent Parliamentary Elections that in Mumbai many urban voters' names were eliminated in the Voters lists. A study was made for Gurgaon Parliamentary Constituency. For a population of over 20 lakhs, the voters names in the lists were about 8.5 lakhs i.e. about 40% of the population against all India 71% of the population. Again out of 8.5 lakhs urban voters were 2.36 lakhs and over 6 lakhs were rural voters. Thus Gurgaon a Millennium Urban City became a Rural Village as per Voters Lists. Clearly about 6 lakhs urban voters names (about one lakh having voters ID cards) were removed by/under orders of the District Electoral officer i.e. D.C Gurgaon (an IAS officer) CEC of India on residents' complaint removed the D.C and asked the new DC to prepare an up to date correct Voters list. New DC also could not do so. He was also removed on complaint from residents/political parties.

In future Murder of Democracy is likely to happen if vested interests over take the democratic rights of the citizens. IAS officers need to become transparent, accountable, public spirited and result oriented to save the country being rated as a failed state.

The worst activity of IAS bureaucracy was they have virtually destroyed Local Governance system established by British Govt. Under their rule we had some of the world best cities Bangalore, Delhi, Lahore, Lyallpur, Hyderabad and many others.. IAS bureaucracy by destroying local governments, have made Indian cities as urban nightmare.

They devise all arguments so that Amendments numbers 73 and 74 to the Constitution of India are not implemented. They pass on this blame on political leaders and continue avoiding effective and strong local governments in India.

Under IAS bureaucracy maladministration, India is now visualized as a nearly Failed State as per World Development Report 2009 based on the analysis of an International Agency on 12 indicators/parameters.

With regards,

Prem Sabhlok

**P.S**

**Some more views received from IAS officers (Retd)**

1. Millions of confused socialist bacteria swarming in the brain of Indian leaders and IAS bureaucrats has become the cause of national cancerous disease of corruption and poverty..

2. ICS officers were never accountable to the people of India but to the British rulers. IAS officers are trying to perpetuate the same and have become non transparent and non accountable to people of India but only to their political bosses Thus feudal outdated colonial structure continues.

3. IAS officers' interest is not aligned with public interest and they feed public on false promises.

4. There is no internal competition and as such 100% reach the top level in bureaucracy. Now lately they have started grabbing Head of the Department posts of Central Services as well- it can lead rebellion within the different services.

5. We are not making IAS as whipping boy but IAS as Service. It is now neither a Service nor Administration. Need to have accountable, specialized contractual officers on hire and fire basis at the Top in ALL services.

6. Malady is far deeper than projected in terms of simple IAS bashing. British style colonial service neither civil nor service should be replaced by American style Civil Service. IAS is no longer the first/top choice of bright candidates. Revenue Services are becoming the top choice. All services should terminate at Joint Secy level or even Director Level. (Retd IAS Chief Secy Maharashtra)

7. Sardar Vallabh Bahai Patel saw IAS as Steel Frame of Bureaucracy like replica of ICS- incorruptible, independent, public spirited and result oriented.

Now after 60 years all this has been eroded and the perception is self serving, insensitive and non accountable. (Retd IAS Secy to Government of India )

8. If IAS as service is scrapped country would not come to stand still.

(Ex Dy. Army Chief)

I have received umpteen more views BUT not a single in support of continuation of IAS as Public Welfare Service.

**The country is anxiously waiting for some remarks in favour of IAS as Public service even from retired/serving IAS officers.**

Regards,

Prem Sabhlok

6.11 How many days after that meeting with a corrupt Chief Minister did you quit IAS?

[My blost post](#)

This is a slightly edited version of my discussion within FTI in the last week or so regarding the standards of integrity we need in India.

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You are entitled to be sceptical and to wonder why I am so 'arrogant' in calling others spineless crooks when I myself supported the system till 2000? I'll address this briefly.

I had heard a lot about corruption. Everyone in India has. But I had seen that many officers could remain upright (my father being one of them) and so people like 'us' could save India if only we controlled these deviant politicians. That is why I joined the IAS anyway. (One day if I get time I'll type out my hand written notes from my IAS interview of 1982 – I found it the other day. Very interesting!).

I discovered corruption in government VERY EARLY. The relevant CM was NOT the only one. Virtually everyone in the bureaucracy and politics was steeped in corruption. The instances are so many that I need not recount (I've recounted a few in BFN if you are interested). But I didn't understand either the administrative system nor economics, nor politics. So till I became 30 I did my job in the best way I could. But even before reaching 30 I was getting more and more convinced that change could not come about at the bureaucratic level.

Since 30, by 1989, (if not before) I have been totally clear about the fact that there is no alternative to reform of Government except through political means. Indeed, so much did I talk about this that one day after a major fight in the secretariat with an officer, a good friend (he left the IAS as well and now works in the US) came rushing to me advising me not to jump into politics without preparation – well, I wasn't going to anyway at that stage!

To get a sense of my thoughts at age 32/33 please read:

<http://tinyurl.com/oo5w3g> and <http://tinyurl.com/qnyudb> (one of these contains my article published the major Assamese newspaper The Sentinel in 1992).

The 1991 experience with the concerned CM was merely one of many. It simply reconfirmed things. I then started investigating causes. Studied in Australia and US for 6 out of the 10 years of my 30s. Tried to explore what causes this problem.

Here's my autobiographical essay submitted as part of an application for the USC College of Arts and Sciences Pre-doctoral Merit University Fellowship on 22 January 1996 – which I did get and so decided to complete my PhD:

<http://tinyurl.com/otsfbt>. It will give you a sense of my attitude towards learning from the 'masters' (gurus).

Everything came together at age 39 in Feb. 1998, and I thought we must have a liberal party in India. Since then numerous efforts and experiences later, FTI. I believe this can work, though I realise it still may not:

a) People differ on what integrity means (I'm stuck in a rut on this. I see things in black and white).

b) People think liberalism is libertarianism and demand freedom without responsibility.

c) Very few people have organisational ability and skills. Most simply are good at talking (not something to be despised, but the fact remains that a liberal party needs organisational experts and we don't have many).

etc.

By 60, in 2019, I will either be back in India full time, or have finally quit India (or even life: there are no guarantees anyone will live to 60!).

So from 22 (joining IAS) to 60, I'd have done whatever I thought was good for India – given my limited understanding. If my little contributions make any difference, fine. If not, I'm quite comfortable doing other things. No fuss at all. I don't need to be Prime Minister of India to be happy. Digging up my garden up and taking pictures of flowers gives me the most exquisite happiness. I live for myself and my principles, not for India. If India (whatever that means: for India is nothing but a bunch of individuals) doesn't budge, so be it. I won't, in any event.

I did quit the IAS (and India) when I thought I could and needed to, and had tried all options to launch a political movement. You may well critique my actions and want me to have done other things. Too bad. I just do what I think I need to. If people in India don't care, sorry – but why should I bother? Have I taken any contract for fixing India? Are you or anyone in India paying me anything? (I won't go into details about how I get not a paisa of retirement entitlements for working 18 years in the IAS...) It is a joint responsibility I talk about. As citizens.

You can question me all you like and you'll get what you see. A liberal at heart and in action.

## 7. News and comments

### 7.1 IPS communicates with ghosts to identify killers

<http://www.outlookindia.com/article/Murder-Search-My-Soul/291281>

Now we know what is needed: TOTAL dismantling of the existing police machinery. These people, instead of using science and forensics, are communicating with ghosts. That too in Dabholkar's case - the man who fought all his life to destroy superstition.

### 7.2 IAS officers brazenly support corruption in Andhra

why aren't the beleaguered officers naming the real culprits ? Here is the catch: the bureaucrats didn't question their political bosses for the alleged illegal acts. The netas ordered and the officers merely signed on files.

"This is a ridiculous excuse," says Jayaprakash Narayan, who quit the IAS to set up Loksatta, a reforms organization. "Civil servants are protected by Article 311 of the Constitution to give them independence. IAS officers get huge discretionary powers. They can't say 'We will have the power but no accountability'. They cannot absolve themselves of wrongdoing by saying 'We were following orders'."

V Ramani, the 1980 IAS topper who also quit the service, says, "Officers can note their dissent on files but many don't. They do not want to be seen as 'obstructionists' because they want good postings."

A retired secretary to the government adds: "What you see in AP is unique. Telecom secretary Siddartha Behura was in jail for long in the 2G spectrum but nobody protested. When IAS couple Arvind and Tinoo Joshi were nabbed with assets of more than Rs 300 crore, there were rumblings among their colleagues in the Madhya Pradesh cadre but nothing more."

Incidentally, UP is rated by many as the most corrupt state but in 1996 and 1997, IAS officers there held a poll to name the most corrupt among them so as to shame them. It's a different matter that the two who were voted went on to become chief secretaries. Later, though, both were pulled down on the orders of the Supreme Court. At least the officers of UP tried. [Source]

## ENDNOTES

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### Chapter 5

<sup>i</sup> Speech in Chicago, Illinois, 29 September 1952.

<sup>ii</sup> In his 2003 oration – see Jha, Raghbendra, ed, *The First Ten K R Narayanan Orations: Essays by Eminent Persons on the Rapidly Transforming Indian Economy*, ANU E Press, The Australian National University, 2006. Available for downloading from [[http://epress.anu.edu.au/narayanan\\_citation.htm](http://epress.anu.edu.au/narayanan_citation.htm)].

<sup>iii</sup> [<http://sanjeev.sabhlokcity.com/book1/BFN-Notes.doc>].

<sup>iv</sup> [<http://www.aph.gov.au/Senate/general/constitution/constit.pdf>].

<sup>v</sup> John Halligan (University of Canberra) in ‘The Australian Civil Service System’, a paper prepared for presentation at Civil Service Systems in Comparative Perspective, School of Public and Environmental Affairs, Indiana University, 5–8 April 1997. See [<http://www.indiana.edu/~csrc/hallig2.html>]. This paper forms part of Tummala, Krishna K, *Comparative Bureaucratic Systems*, Lexington Books, Lanham, MD, 2003, and also in Halligan, John, ed, *Civil Service Systems in Anglo-American Countries*, Edward Elgar Publishing, London, 2004.

<sup>vi</sup> Public Service and Merit Protection Commission, *Serving the Nation: 100 Years of Public Service*, Commonwealth of Australia, Canberra, 2001, p.175.

<sup>vii</sup> As Charles Darwin noted, ‘Although a high standard of morality gives but a slight or no advantage to each individual man and his children over the other men of the same tribe [...] an advancement in the standard of morality will certainly give an immense advantage to one tribe over another’ – in *The Descent of Man*, published in 1871.

<sup>viii</sup> See [<http://www.sanjeev.sabhlokcity.com/book1/appointment-comparison.doc>] (1.5 MB).

<sup>ix</sup> Halligan, 1997, op. cit.

<sup>x</sup> Civil servants who were recruited before compulsory superannuation was implemented were eligible for pensions but these have largely been transitioned to the new scheme and are expected to provide for their old-age themselves.

<sup>xi</sup> E.g. see the Victorian graduate recruitment scheme at [<http://www.graduates.vic.gov.au/>].

<sup>xii</sup> Halligan. 1997, op. cit.

<sup>xiii</sup> *Ibid.*

<sup>xiv</sup> [<http://www.sanjeev.sabhlokcity.com/book1/BFN-Notes.doc>].

<sup>xv</sup> See [<http://www.vpsc.in.org/>].

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<sup>xvi</sup> Very briefly, I did get the State Library's books repaired (most were falling apart) and tried to introduce a bar-coding system for books and membership cards. This system could also be used to prevent mis-filing of books on shelves and prevent the ongoing disappearance of books from the library. On the IT front, I managed to persuade the Government of India to spend Rs 50 lakhs on the Meghalaya Secretariat but before any of this could come to fruition, a senior bureaucrat was irked by my questioning an existing, unproductive effort and I was relieved of my role. You can't ask questions of politically well-connected and potentially corrupt seniors in India.

<sup>xvii</sup> Available for download from [<http://www.legislation.vic.gov.au/>].

<sup>xviii</sup> Halligan, 1997, op. cit.

<sup>xix</sup> [<http://sanjeev.sabhlokcity.com/book1/BFN-Notes.doc>].

<sup>xx</sup> The TV serial, 'Who wants to be a millionaire?'

<sup>xxi</sup> R K Mishra in 'National Civil Service System in India: A Critical View', Paper prepared for presentation at Civil Service Systems in Comparative Perspective, School of Public and Environmental Affairs, Indiana University, Bloomington, Indiana, 5–8 April 1997. This paper now forms part of Burns, John P, and Bowornwathana, Bidhya, ed, *Civil Service Systems in Asia*, Edward Elgar Publishing Inc., Cheltenham, UK, 2001.

<sup>xxii</sup>

[[http://timesofindia.indiatimes.com/Editorial/Reform\\_the\\_bureaucracy/articleshow/2242779.cms](http://timesofindia.indiatimes.com/Editorial/Reform_the_bureaucracy/articleshow/2242779.cms)].

<sup>xxiii</sup> See also a term paper I wrote some years ago during my studies at the University of Southern California, copy at [<http://www.indiapolicy.sabhlokcity.com/debate/Notes/term537.PDF>].

<sup>xxiv</sup> Well why did I go to Assam? I changed cadre from Haryana in 1984 after my marriage to a colleague from Assam, because I felt I would be more useful to the people in Assam which was economically more backward, than in Haryana which was much more advanced. It would also give me an opportunity to learn more about my wife's state and her language. Plus, I found the Assam countryside extremely beautiful.

<sup>xxv</sup> Srivastava, C P, *Corruption: India's Enemy Within*, MacMillan, Delhi, 2001, p.121.

<sup>xxvi</sup> Huque, Ahmed Shafiqul, *Asian Journal of Public Administration*. Vol.16, No. 2, 1994, pp.249–59.

<sup>xxvii</sup> Citizens of a few countries will be ineligible due to national security concerns.

<sup>xxviii</sup> [<http://www.sanjeev.sabhlokcity.com/book1/BFN-Notes.doc>].

<sup>xxix</sup> These principles will be revised and re-designed in the form of a checklist or guide before being used for the action strategic plans. The body of literature that will be used for such a checklist includes *The Victorian Guide to Regulation* available at [<http://www.vcec.vic.gov.au/>].

<sup>xxx</sup> [<http://www.sanjeev.sabhlokcity.com/book1/BFN-Notes.doc>].