

Bureaucracy: Reform or Perish

Mohan Guruswamy*

*[*Mohan Guruswamy is Chairman, Centre for Policy Alternatives, New Delhi, India]*

India, as one state, has never been larger. Like Ashoka's great empire, the Mughal Empire never went down southwards and eastwards very much. The British ruled directly only in the three great presidencies of Bengal, Madras and Bombay and the four smaller units of the Punjab, the United Provinces, the Central Provinces and Berar, and the Northwest Frontier Provinces. Even after the doctrine of lapse was repudiated 601 princely states remained administering themselves and managing their day-to-day affairs quite independently, as long as Britain was acknowledged as the paramount power in India. The India of today is also much more of a nation sharing a common perception of its origins and history. With a billion people under its flag, today's India, a fractious and youthful democracy with a billion unsatisfied aspirations would easily be the toughest public administration challenge in the world.

Its system of public administration evolved over the millennia as a system of exercising imperial authority, maintaining law and order, and raising revenues. In return the state offered security and stability, leaving the myriad communities to manage their everyday affairs in the traditional manner. It was a complex set of systems meeting the needs of a very complex society. The imperial state had its system of provincial and regional governors, vassals and satraps, all vested with the authority and power to enforce allegiance, collect taxes, conscript and maintain order. The towns were generally directly governed by the imperial state. In the villages the traditional system held sway. The brahminical system which once exclusively administered social behavior and catered to the spiritual needs of the populace, was in course joined by the clergy of other faiths like Islam, Christianity and Sikhism. Till the advent of the British Raj, the imperial state and the religious hierarchy collaborated closely as their goals were quite similar. Both wanted allegiance to ensure a steady stream of income, both wanted to preserve the status quo and quite naturally one legitimised the other.

Since land was the main source of income for the state, the maintenance of land ownership records and a continuous stream of information pertaining to its productivity, produce and prices became the central aspects of administration. Since taxpayers are, irrespective of the age, extremely unwilling to part with even a part of their earnings, the most appropriate coercive mechanism to enforce this went hand in hand with revenue administration. This led to a very interesting division of labor between the imperial and traditional governments. Often while a capital offence like murder was a matter for the traditional court, brigandage and highway robbery became a matter for the imperial government because it had the potential to derail the status quo. Then like now, quite often robbers became chieftains and chieftains became rulers. The easy transition from daku to baghi is quite an ancient institution.

India was thus governed for almost two and a half thousand years, unchanging despite a quick turnover of Empires, its traditions continuous and often oppressive even when very different from those of its many ultimate rulers, a patchwork of nationalities, regions, communities, vocations, and practices united by a stoicism that finally and happily shows signs of giving in to exasperation. All this ended with the 1857 revolt. The abortive revolt had three great consequences. It marked not just the end of the Mughals and Maratha power in central India, but also the end of East India Company rule.

This “first great war of independence” actually further enslaved India when on November 1, 1858 when Lord Canning, wearing court dress and riding a black horse emerged out of the fort in Allahabad to read a long proclamation by Queen Victoria. The Queen then still 38 years old and still happily married to Prince Albert who was considered to be somewhat of a progressive, insisted that the “document should breathe feelings of generosity, benevolence and religious tolerance.” Its another thing that the reality rarely matched the fine sentiments, but that is a tradition that still endures.

In 1861 the Indian Civil Service (ICS) came into being. Each one of the 400 district officers in British India was henceforth a ICS officer as were all members of the higher bureaucracy. At no given time were there more than 1200 ICS officers in India. Two other significant events took place in 1861. Thomas Babbington Macaulay’s codification of Indian law came into effect and the Indian Police Act introduced uniform police service throughout India. In addition to the British District Officer, each district in British India was henceforth to have a British superintendent of police. The ICS was divided into separate departments: the executive, which administered the districts, and collected the land revenues and taxes; the judicial, which provided judges for the district and high courts; the political, which provided officers for the diplomatic corps, residents and agents in the princely states; and the secretariat, which provided senior officials for both the central and state governments. Below this came the largely Indian and uncovenanted civil servants of the police, medical and forestry services, and in the agriculture and engineering departments, all adding up to another 2000 civil servants. This much-vaunted steel frame of India consisted of no more than 4000 British and Indian officers at even the worst of times.

The bedrock of this system were the 400 district officers, variously called Collectors and District Magistrates or Deputy Commissioners, who administered the districts, each with an average size of 4430 square miles conciliating disputes, dispensing justice and collecting revenues. An ICS officer became a district officer soon after the completion of his probation and was usually in his twenties lording invariably over a million people. Each ICS officer was carefully chosen and was an eclectic combination of brilliance, personality and integrity. It was probably the finest civil service ever drawing its men, usually, from Oxford or Cambridge and after a tough entrance examination that included “the ability to jump a five barred gate on horseback with arms folded and stirrups crossed.” They were well paid and cared for, and usually incorruptible with a well deserved reputation for accepting no gifts other than flowers or fruit. They wore their three initials with pride and saw themselves “as the modern equivalent of Plato’s Guardians, men bred, selected and trained to govern, selflessly and devotedly.” But what helped them most to stay that way was that they were servants of an foreign empire and agents of an authoritarian system. In 1868 the first Indian, Satyendranath Tagore of that famous family,

went to London to take and pass the ICS exam. The last Englishman in the ICS, JPL Gwynn, retired in Hyderabad in the early 1960's.

Imperial and authoritarian government, racial arrogance coupled with superior education made the ICS a superb instrument to serve British interests. In 1947 all that changed. Preserving the status quo was no longer the major priority of government. As national goals ostensibly changed newer taxes replaced land revenue as the governments source of income. Serving rather than ruling became the impulse driving government. India was to be transformed into a modern and progressive democracy.

The total annual outlay of the Central and various State governments in 2002-03 was Rs.793, 358 crores. The sum of the direct and indirect taxes collected by the Centre and the States was Rs. 389,952 crores in 2002-03. In 1950-51 this was a mere Rs.627 crores. Today's district outlays by far outstrip provincial budgets of the past. The scope of government too has expanded and it encompasses many more specialist areas. In 2004-05 all the States together garnered a revenue of Rs.374, 344 crores. Of this land revenue accounted for a mere Rs.2669 crores making the title of District Collector somewhat misleading. On the other hand land rather than yielding revenues now draws huge expenditures in the form of subsidies to the farm sector. This is estimated to be in the vicinity of Rs.70, 000 crores each year. The district officer is no longer a mere collector of revenues, preserver of order and projection of imperial authority, but the prime change agent of government and the administrative pivot of all developmental activity. But yet the old steel frame of the Raj, now largely rusted, rundown and rapacious endures. (contd.)

A typical district officer is usually still in his twenties or early thirties. But unlike his ICS predecessor the IAS District Collector or deputy Commissioner has neither the unquestionable authority conferred either by racial exclusivity or superb education or social class or all three to dominate and control the lower bureaucracy. As required in a democracy the executive is subservient to a government by elected politicians. According to a study by SK Das, IAS, the average tenure of a district officer is now about seven months. He or she invariably falls victim to the constantly changing and treach-erous currents of an intensely competitive political system.

The lower and permanent bureaucracy has adjusted well to this essential change and has become a tool in the hands of the politicians. In fact the lower bureaucracy has increasingly become the nursery for the new political class. For instance the former Prime Minister, HD Deve Gowda earned his spurs, as an overseer in the Karnataka PWD while former Communications Minister, Pandit Sukhram, was a clerk in the Manali municipality. Interestingly the last contest for Vice-President was between two former policemen. Shekhawat was a constable in the Rajasthan Police while Shinde was a sub-inspector in the Maharashtra special branch. Little wonder no one gives a fig for our district officers anymore. That may not even be so bad considering the kind of stuff that makes it into the IAS nowadays. But quite clearly the common people are paying a heavy price for this. India still ranks among the bottom ten of the international human development index.

Clearly we need to restructure government and administration in each of India's 568 districts. The District Collector/Deputy Commi-ssioner, like his ICS predecessor must become the executive head of the district with all branches of government subject to his/her authority and

power. This must particularly include the police. The district officer must be re-designated as the Commissioner and should be an officer with over 16 years of service, a mature and seasoned individual with the seniority and clout to exercise complete authority over the administrative apparatus. This seniority will also give him/her the experience and guile needed to deal with the political system. Above all the Commissioner must have a fixed tenure of at least five years and a board consisting of elected representatives of the district as well as administrative superiors must make his/her selection to the position. In the late 1980's the then Prime Minister, Rajiv Gandhi, was reportedly contemplating such a restructure of government. No sooner the word got around, the traditional politicians opposed it, as it would deprive them of much of their clout. The former Deputy Prime Minister, Devi Lal, jeered it as a PM to DM system which would by-pass all other political structures.

From the mid 90's, even amidst the most severe economic downturns, one industrial segment has posted consistent and significant growths. This is the segment called the white goods sector, which accounts for consumer durables like refrigerators, washing machines and other home appliances. This spurt coincides with the selective implementation of the Fifth Pay Commission's recommendations. Apart from recommending whopping increases in salaries and benefits, the Fifth Pay Commission noted the low productivity and also recommended that the numbers employed in government should be drastically slashed. At the time this award was accepted, India probably had its weakest, most corrupt and ultra populist government ever. This was the government of Inder Gujral whose only notable achievement was to import a million tons of wheat from Australia by paying about Rs.200 more per quintal than what it would have cost to procure in the domestic market. The consequence of this is that the wage bill of the Central Government alone is now Rs. 35,490 crores with an additional Rs. 12,843 crores for pensions. In 1990-91 these were Rs.12, 389 crores and Rs.1650 crores respectively. This does not include salaries and pensions of defence personnel.

The State Governments together now directly employ 7.5 million persons in addition to the Central Government that gainfully or painfully employs about 3.3 million. Given the commonly high salary levels in the Central and State governments, one can easily compute the approximate cost of government by way of salaries alone. It was Rs.98, 948 crores in 2002-03. In addition to this pensions and retirement benefits amounted to another Rs.46, 247 crores. Together this translates to about 7.28% of the GNP, an unbelievably high cost of government, particularly when you consider what we get in return. This obviously does not include the conservative and very modest Rs. 27,000 crores Transparency International estimates that we Indians paid last year to our uncivil servants under the table to get our rights given back to us as privileges.

We are not done with this as yet. In addition to this huge army of babu's the Central and State Governments employ a further 6.3 million persons in PSU's and departmental undertakings like the Indian Railways. Local bodies like Municipalities, Zilla Parishads and Panchayats employ another 2.3 million. This entire cohort of about 20 million belongs to the 27.2% who make up our middle and upper income groups.

Now lets take a look at the combined receipts and disbursements of the Central and State Governments. Last year (2004-05) out of the Rs. 428,266 crores optimistically deployed as Development Expenditure, Rs.334, 480 crores were for Revenue Expenditure; and of the Rs. Rs.431, 203 crores spent on what is honestly admitted as Non-Development Expenditure,

Rs.388, 522 crores was incurred on Revenue Expenditure. The Capital Expenditure on account of “development” was just Rs. 76,559 crores. Thus it costs the Central and State Governments about Rs.10 to give us a benefit of Rs.1! Revenue expenditure very simply means wages, utilities, fuel, repairs and maintenance, and chai-pani aur dawa-daru kharcha. So the effective cost of government is Rs. 723,002 crores out of the cumulative receipts of Rs. 898,290 crores which the Central and State Governments collect as taxes from us and/or beg, borrow and steal for us. This is about a good third of our GNP and growing!

But the real slap in the face is that “Public Administration” is categorised as a part of the Services sector for national income accounting, and the 14% annual growth in the cost of government is what mainly accounts for the growth of this sector. The growth of the Industrial sector has been marginal and that of the Agricultural sector has been negative these past two years. No wonder the Government and the RBI can still claim that the national economy is bounding along at nearly 6%?

The burgeoning cost of government is our single major public policy issue, yet it is not debated at all. All parties go into a funk when confronted with these facts. Thus for the BJP, once again it seems, there are only two issues that matter - Hindutva and Babri Masjid, and as for the sycophants in the Congress, they are only concerned with the Congress President's two issues. Rahul or Priyanka? Poor Dr.Manmohan Singh has listed the reform of the bureaucracy as his first priority, but the politicians pay no heed to him, and the bureaucracy hence sees no need to take him seriously.