

**SECOND ADMINISTRATIVE REFORMS COMMISSION**  
**IN INDIA:**  
**RECOMMENDATIONS ON LOCAL SELF GOVERNMENT**

**A Dissertation submitted to Mizoram University  
for the award of the Degree of Master of Philosophy  
in Public Administration**

**By**  
**Z.F. LALTHAKIMI**

**Supervisor**  
**Prof. SRINIBAS PATHI**  
**Professor**

**DEPARTMENT OF PUBLIC ADMINISTRATION**  
**MIZORAM UNIVERSITY**  
**AIZAWL, MIZORAM**  
**2012**

**Prof. Srinibas Pathi**

Professor & Supervisor

Department of Public Administration

Mizoram University

(A Central University)

Tanhril, Aizawl-796004

Mizoram

**CERTIFICATE**

Certified that Ms. Z.F. Lalthakimi, a student of M.Phil programme in the Department of Public Administration, Mizoram University has prepared the present dissertation titled ‘Second Administrative Reforms Commission in India: Recommendations on Local Self Government’. This is an original work of research which has not been used previously and which has not been submitted to any other university for any purpose. It covers the topic of research adequately.

(Srinibas Pathi)

Supervisor

Professor of Public Administration

Department of Public Administration

Mizoram University

## **ACKNOWLEDGEMENT**

I would like to express my sincere gratitude to my supervisor Prof. Srinibas Pathi, for his guidance and supervision. His kind and helpful advice, valuable comments and suggestions has enriched this work and I am truly indebted to him for his abled supervision throughout the course of the research.

I would like to express my sincere gratitude to Prof. Lalrintluanga, Head of Department of Public Administration, Mizoram University for giving me the opportunity to undertake this work.

I would also like to thank all the faculty members in the Department of Public Administration for their help and support.

I would also like to offer my utmost gratitude to my family for their love and support.

Finally, I thank God for giving me strength and his continued blessings.

(Z. F. Lalthakimi)

MZU/M.Phil/97 of 02.05.2012

## LIST OF ABBREVIATIONS

ARC	Administrative Reforms Commission
APIO	Assistant Public Information Officer
C&AG/CAG	Comptroller and Auditor General of India
GNCT	Government of the National Capital Territory
MCD	Municipal Corporation of Delhi
MPs	Members of Parliament (Lok Sabha/Rajya Sabha)
MLAs	Members of Legislative Assembly
NABARD	National Bank for Agriculture and Rural Development
NCR	National Capital Region
NREGA	National Rural Employment Guarantee Act
NeGP	National e-Governance Plan
NIDM	National Institute of Disaster Management
PRIs	Panchayati Raj Institutions
PPP	Public Private Partnership
PIO	Public Information Officer
REGS	Rural Employment Guarantee Schemes
SC	Scheduled Caste

SEC	State Election Commission
SHG	Self Help Group
SIAFI	Integrated System of Federal Government Financial Administration
ST	Scheduled Tribe
TFC	Twelfth Finance Commission
ULBs	Urban Local Bodies

## **PREFACE**

The dissertation is divided into five chapters. The first chapter is the Introduction. The second chapter is titled 'Administrative Reforms in India: Origin and Growth', the third chapter is 'Second Administrative Reforms Commission in India: Major Recommendations'. The fourth chapter is titled 'Second Administrative Reforms Commission in India: Recommendations on Local Self Government'. The fifth and final chapter is the Conclusion.

The first chapter introduced the whole content of the work, the scope of the study, the methodology used for the study and it also highlights the aim and objectives of the study. It gives brief introduction of the administrative reforms. The study was started with a view to help improve the working of local self government according to the recommendations of the Second Administrative Reforms Commission.

The second chapter deals with the elements and other important issues regarding Administrative Reforms in general. It also included the various reports submitted to the Government of India for Administrative Reforms from 1947 till the Second Administrative Reforms Commission.

The third chapter deals with the general introduction about the Second Administrative Reforms Commission including structure, members, terms of reference and activities. This

chapter contains brief summary of all the fifteen reports submitted by the Second Administrative Reforms Commission.

The fourth chapter discusses the meaning, nature, scope and dimensions of local self government. The chapter briefly describes the working of local self government in India since the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Act. It also discusses all important recommendations of the 6<sup>th</sup> and 15<sup>th</sup> Reports submitted by the Second Administrative Reforms Commission and the link between District Administration and local self government.

The final chapter is the Conclusion. It is divided into two parts. The first part consists of the summary of all the previous chapters. The second part of the chapter contains the findings and suggestions for the improvement of the workings of local self government, with which the research is concluded.

# CONTENTS

Certificate

Acknowledgement

List of Abbreviations

Preface

Chapter I	: Introduction	1
Chapter II	: Administrative Reforms in India: Origin and Growth	18
Chapter III	: Second Administrative Reforms Commission in India:	35
	Major Recommendations	
Chapter IV	: Second Administrative Reforms Commission in India:	53
	Recommendations on Local Self Government	
Chapter V	: Conclusion	76
	Bibliography	
	Appendices I-II	



# **CHAPTER I**

## **INTRODUCTION**

When India achieved Independence, we inherited the colonial legacy in administration, which was suited to the needs of revenue collection and maintenance of law and order. Indian administration during the British era was primarily designed for the performance of the limited functions of an imperial government, and naturally it was unsuited to serve the needs of an independent, secular, democratic and socialist Republic of India. Since Independence, the question of reforming the administrative machinery gained importance in order to make it suitable to the new goals of Public Administration in India. The founding fathers of Indian Independence saw an advantage in not scrapping or abolishing the colonial administration altogether but rather refashioning and remodeling it to meet the needs of democracy, development and administrative efficiency.

Administrative Reforms process is mainly concerned with the systems, procedures, processes, methods and techniques of administration at national, state and local levels to bring about administrative efficiency and improvements. Thus, the terms 'administrative reform' is applied to the process of improvement in executive machinery ranging all the way from fundamental realignments in the governmental structure to relatively minor alternations in the methods of conducting Ministerial and Departmental activities. The primary objective of the administrative reforms in our country is to make available to the Government and citizens a clean, efficient and result-oriented administrative set up.

Administrative Reforms is a process that involves enhancement in the capacity of an administrative system to achieve its assigned goals. The term 'reforms' means "to become better by removal or abandonment of imperfections or errors;"<sup>1</sup> and also removal of abuse especially in policies. So, administrative reforms may be termed as, "a change for better working of the administrative personnel." Gerald E. Caiden has defined administrative reforms as, "the artificial inducement of administrative transformation against resistance."<sup>2</sup> Arne F. Leemans describes administrative reforms as induced change in the machinery of government undertaken in an effort to bridge the gap between reality and desirability. And according to Maheshwari, Administrative Reforms, by its very definition seeks to apply new ideas to administration, and, thus, entails values.

In the parlance of Indian administration, reform refers to the process of change with complete transformation in terms of structure and behavior. It is more a grandiose and infrequent effort to remodel and reorganize the administrative apparatus of Government with heavy investment of personnel, resources and time. It has a few distinguishing features such as moral purpose, artificial transformation, and administrative resistance. It is a form of creative destruction as the old order is broken down to paves the way for a new order.

In India, a few attempts at administrative reforms have been made after Independence. The Secretariat Reorganization Committee under the chairmanship of Girija Shankar Bajpai was appointed before the actual transfer of power in 1947. The committee recommended certain measures for reorganizing the secretariat departments and suggested procedural changes in the secretariat.

---

<sup>1</sup> Nandita (2004), *Administrative Reforms (Initiatives and Impact)*, p-3

<sup>2</sup> Hoshiar Singh, Mohinder Singh (1989), *Public Administration in India*, p-502

In 1948, the Economy Committee was set up by the Central Government, under the chairmanship of Kasturbhai Lalbhai, a well known industrialist. Based on its recommendations, economy committees were set up in various ministries with a view to checking government expenditure including that incurred on staff.

In 1949, the Government constituted a one-man committee, known as Gopaldaswami Ayyanger Committee to look critically into the existing Government machinery and make recommendations for its reorganization. His report entitled “Report on Reorganization of the Machinery of Government” was submitted in 1949.

In 1951, two reports, on ‘Public Administration in India’ and ‘Efficient conduct of State Enterprises’ were presented to the Planning Commission by A.D. Gorwala, and he recommended that organization and method procedure should be introduced in various government organizations. Later, in 1952, R.A. Gopaldaswami submitted a memorandum to the Cabinet Secretary on improving efficiency in the secretariat and also he recommended the creation of an Organization and Methods Directorate.

In 1953, Paul H. Appleby, a Ford Foundation consultant, visited India at the invitation of the central government and submitted his report, ‘Public Administration in India: Report of a survey.’ He made several recommendations for improving work procedure and for enhancing the capabilities of the administrative organization. As a result of this report, the Indian Institute of Public Administration was set up on March 29, 1954 under the chairmanship of Pandit Jawaharlal Nehru, the then Prime Minister.

In 1954, Ashok Chanda, in his unpublished note to the Government of India, recommended a number of steps including the creation of more All-India Services, adoption of an officer-oriented system in government and greater delegation of powers and reducing delays in the execution of projects. Further in 1955, the Railway Corruption Enquiry Committee, under the chairmanship of J.B. Kriplani, made sweeping recommendations to improve the standard of integrity in the Railways, the largest public sector enterprise.

In 1956, Paul H. Appleby visited India for the second time and submitted another brief report entitled 'Re-examination of India's Administrative System with Special Reference to Administration of Government Industrial and Commercial Enterprises.' In 1956 itself, the report of the Public Services (Qualifications for Recruitment) Committee, set up under the chairmanship of A.R. Mudaliar, was submitted.

In 1957, 'Report of the Team for the Study of Community Projects and National Extension Service' were presented to the National Development Council by its chairman, Balwantray G. Mehta. On the basis of this report, the system of panchayati raj was introduced in the country.

In 1959, the report of the Commission of Enquiry on Emoluments and Conditions of Service of Central Government Employees (Second Pay Commission), set up under the chairmanship of Jagannath Das, was presented. It recommended for the creation of Whitley Councils on the British pattern, for resolving the problems in employer – employee relations. In 1962, V.T. Krishnamachari presented to the Government of India, his Report on 'Indian

and State Administrative Services and Problems of District Administration.’ In 1962, the Committee on Prevention of Corruption under the chairmanship of K. Santhanam was set up and it submitted its report in 1964 which favoured strengthening of vigilance organizations and adoption of a code of conduct for civil servants. The Central Vigilance Commission and many state vigilance agencies were set up 1964 as for this report.

In spite of various attempts made from time to time for reforming the administration, the administrative capability and integrity could not be improved very substantially. In 1966, the Central Government, decided to appoint a high level Administrative Reforms Commission.

In 1966, the First Administrative Reforms Commission under the chairmanship of Morarji Desai was appointed by the Government of India. The Commission was required “to give consideration to the need for ensuring the highest standards of efficiency and integrity in the public services, and for making public administration a fit instrument for carrying out the social and economic goals of development as also one which is responsive to the people”. Ten main aspects to be enquired into the Commission were: (i) the machinery of the Government of India and procedures of work; (ii) the machinery for planning at all levels; (iii) centre-state relationships; (iv) financial administration (v) personnel administration; (vi) economic administration, (vii) administration at the state level; (viii) district administration (ix) agricultural administration (x) problems of redress of citizens’ grievances. The Commission appointed twenty Study Teams, thirteen Working Groups, four Expert Groups and a task force to examine various aspects of administration. It took Administrative Reforms Commission four and a half years to submit twenty reports. The First report on the “Problems

of Redress of Citizens' Grievances" was submitted on October 20, 1966, while the last one, on "Scientific Departments" was submitted on June 30, 1970.

In August 2005, The Second Administrative reforms Commission headed by Shri. M. Veerappa Moily was set up by the Government of India due to changed socio-economic and political landscape of the country. The Commission was set up with a view to suggest measures to revamp public administration and to bring a responsive and accountable administration in the country. In its four years of deliberations it has submitted 15 reports by 31<sup>st</sup> May 2009 on a wide range of issues which are as follows:-

- First Report : Right to Information: Master Key to Governance
- Second Report : Unlocking Human Capital: Entitlements and Governance –  
A Case Study
- Third Report : Crisis Management: From Despair to Hope
- Fourth Report : Ethics in Governance
- Fifth Report : Public Order
- Sixth Report : Local Governance
- Seventh Report : Capacity Building for Conflict Resolution
- Eighth Report : Combating Terrorism – Protecting by Righteousness
- Ninth Report : Social Capital – A Shared Destiny
- Tenth Report : Refurbishing of Personnel Administration – Scaling New Heights

Eleventh Report : Promoting e- Governance – The SMART Way Forward

Twelfth Report : Citizen Centric Administration – The Heart of Governance

Thirteenth Report : Organisational Structure of Government of India

Fourteenth Report : Strengthening Financial Management System

Fifteenth Report : State and District Administration

The present study looks into the significant features and recommendations of the Second Administrative Reforms Commission with particular emphasis on the recommendations of the local self government.

## **RESEARCH PROBLEM**

Administrative Reforms has attracted the attention of the Government of India for many years. Various attempts at reforming the administrative system have been made since the attainment of Independence. But in spite of the measures taken to remedy the defects in the administration of the country, the problems of administration have become increasingly complicated and difficult. The patterns of administration were designed when government's main business was to maintain law and order. So the administrative structures were not adequate for the challenges the country faced over the years.

Some of the main deficiencies in administration include, among others, faults in administrative organization and structure; delay in dispatch of business; inefficiency; lack of

integrity; corruption; diffusion of responsibility; the plethora of consultation before taking a decision; wasteful expenditure; negligence of citizens' grievances; lack of follow-up actions, etc. Administrative reforms may be necessary to face these issues, problems and challenges and to provide possible solutions.

Administrative organization is a tool for conducting the economic and political affairs of the society in a disciplined and orderly manner. It is also used for achieving effective, social and economic progress. There have not been many research studies related to Administrative Reforms in India and there are very scarce literature pertaining to it. Hence, it is the aim of the present study to provide information for further studies and to enrich literature on the subject. The significant features and recommendations of the Second Administrative Reforms Commission on Local Self Government will be studied.

Administrative Reforms process is related to a number of forces, factors, ideas, institutions and personnel in the context of change and continuity in administration when we try to analyzed the issues, problems and challenges relating to administration and also aim at providing suggestions for improvement in the administrative structure, functions and processes, we need to study the activities and outcomes of administrative reforms. During the present study we need to look into these processes with an emphasis on the recommendations of Second Administrative Reforms Commission on local self government.



## REVIEW OF LITERATURE

Administrative Reforms is an important tool for making public administration a fit instrument for carrying out the social and economic policies of the government. We have come across a few books, journal articles, research papers and reports on Administrative Reforms in India. Here we present a review of some of these:

M. Sharma (2003) in his book *Indian Administration* has dealt with the Administrative Legacies at the time of Independence. He has also covered Civil Services; District and Revenue Administration; Organisation of Government of Centre and State Level; Organisation of Secretariat, Ministries and Departments; Personnel Administration – Classification of Services, Recruitment, Union Public Service Commission, State Public Service Commission, Training, Promotion, Discipline, Morale, Employer-Employee Relations; Financial Administration; Formulation of Plans, Planning Commission, National Development Council, Centre-State Relations; Control Over Administration, Role of District Collector, Local Government – Rural and Urban; Panchayati Raj Institutions; Citizens and Administration; Delegated Legislation; Administrative Adjudication; and Administrative Reforms – Administrative Reforms since Independence, Administrative Reforms Commission.

Nandita (2004) in her book *Administrative Reforms: Initiatives and Impact* has discussed the conceptual premises of Administrative Reforms. She also gives an evolutionary perspective on Reforms in Rajasthan. She provides strategies for Reforms in the context of National and State administration. The focus is given on the Dimensions and Facets of

reforms. This particular aspect is done extensively spreading to three chapters. She also includes Implications, Evaluation and Implementation regarding Administrative Reforms. She concludes with the statement that a lot still needs to be done and gives a several fold suggestions for the visualization of boarder aims of reforms.

N. Jayapalan (2001) in his book *Indian Administration* has discussed the evolution of Indian administration from the Ancient period, Muslim period, British Period and administration since Independence. He describes the State and Local Administration and gives importance to Local Self-Government and Local Bodies so as to give a clear picture about the Indian Administration. He also discusses Administrative Reforms Commission – Report which included the machinery of government; Centre-State Relationships; Personnel Administration; Finance; Accounts and Audit; Economic Administration; Public Sector Undertakings; The Planning Commission; Redress of Citizens’ Grievances; State Administration and District Administration.

Hoshier Singh and Mohinder Singh (1989) in their book *Public Administration in India* have discussed the Evolution of Public Administration in India from the Ancient Period and also include the constitutional framework of Indian Administration. They also deal with the political executives at Central, State and Local levels, Structure of Administration; Public Services; Central Personnel Agencies; Control of Public Expenditure, Planning and Machinery for Plan Formulation at National, State and District Levels; District Administration; Local Government; Public Undertakings; Relationship between the Political and Permanent Executive; Generalists and Specialists in Public Administration; Corruption in Public Administration; People’s Participation in Administration; Redressal of citizens’

Grievances and Administrative Reforms highlighting the need for Administrative Reforms and attempts made for reforming administration since independence.

Shriram Maheshwari (1981) in his book *Administrative Reforms in India* has discussed the sources of Administrative Reforms in India and has focused on different phases of Administrative Reforms: the first phase 1947-54, second phase 1954-64, third phase 1964-66, the fourth phase 1966-70 and the fifth phase 1970 onwards. He has also discussed the distinguishing features of Administrative Reforms including the role of Political Parties and Insights from Indian Experience.

Jagganadhan (1966) in his article 'Sociological Aspect of Administrative Reforms,' in *Indian Journal of Public Administration* has discussed the administration and culture, static and dynamic elements in administration, the past and the emerging Indian culture, some Hindu cultural characteristics, Curzon's contrasts and the sociological focus for administrative reforms which consist of a two-fold approach, that is, a reform of the administrative sub-culture, and a reform of the major culture.

M. Veerappa Moily (2007) in his article 'Administrative Reforms in India,' in *Indian Journal of Public Administration* emphasizes the link among economic growth, good governance and public institutions. He also touches upon, among other aspects, India's place in global economy, infrastructure bottlenecks in India, employment generation and education, India's democratic ethos and local governance in the context of administrative reforms.

B.P. Mathur (2010) in his article ‘Second Administrative Reforms Commission on Personnel Administration – Need to Implement Recommendation,’ in *Indian Journal of Public Administration* has discussed the reports of the Administrative Reforms Commission which concentrated on personnel administration including recruitment, training and Capacity building, placement at middle and top management level, performance appraisal, accountability and disciplinary procedure, civil servants and political executive relationship, code of ethics and civil service law. In this article, the author has emphasized on the need for civil service reforms as a significant aspect of administrative reforms.

Even though these books and articles have presented different aspects of Administrative Reforms in India, very few research works on Administrative Reforms in India could be found in relation to the Second Administrative Reforms Commission. Hence the present study has been taken up to look into the significant features and recommendations of the Administrative Reforms Commissions with special reference to the Second Administrative Reforms Commission’s recommendations on local self government.

## **OBJECTIVES**

The proposed study has the following objectives-

- i. To study the Administrative Reforms in India
- ii. To study the Second Administrative Reforms Commission in India and its major recommendations
- iii. To examine the recommendations of the Second Administrative Reforms Commission on local self government

- iv. To suggest ways and means to improve the working of local self government according to the recommendations of the Second Administrative Reforms Commission

## **SCOPE OF THE STUDY**

The inherited administrative set up at the time of Independence was “structurally inadequate and functionally unprepared to meet the new challenge of economic development and social change which had to be accepted by the nation as the new primary concern of the state policy.” Efforts were therefore, made to re-organize and gear up the existing machinery to fit in different set of objectives and circumstances as also new administrative units were brought into existence to meet the needs of growing tasks following national planning for the achievement of all round progress. Administrative Reforms in India has not been a popular subject studied by scholars and there are not many documents or books related to it. To facilitate the establishment of proper literature a need was felt to take up the present study, which will broadly concentrate on the significant features and recommendations of the Second Administrative Reforms Commission.

The First Administrative Reforms Commission was set-up by the Government of India in 1966, containing six members and its first chairman was Mr. Morarji Desai. The Commission was asked to examine the public administration for reforms and reorganization with a view to ensuring the highest standards of efficiency and integrity in the Public Services, and for making public administration a fit instrument for carrying out the social and economic policies of the Government and were asked to consider: (i) the machinery of the

Government of India and procedures of work; (ii) the machinery for planning at all levels; (iii) centre-state relationships; (iv) financial administration (v) personnel administration; (vi) economic administration, (vii) administration at the state level; (viii) district administration (ix) agricultural administration (x) problems of redress of citizens' grievances.

The Second Administrative reforms Commission headed by M. Verrappa Moily was set up in August 2005 with a view to suggest measures to revamp public administration and to bring a responsive and accountable administration in the country. In its four years of deliberations it has submitted 15 reports on various issues ranging from Right to Information and Public Order to strengthening financial management Systems and reforming State and District Administration.

So, the present study covers the need for administrative reforms and the steps taken by the Government of India for administrative reforms. We have also looked into the significant features and recommendations of the Second Administrative Reforms Commission which might contribute to effective and efficient administration at the level of Local Self Government.

## **RESEARCH QUESTIONS**

The present study has attempted to answer the following research questions:

- i. Why there is a need for Administrative Reforms?
- ii. What are the steps taken by the Government of India for Administrative Reforms?

- iii. What are the significant features and recommendations of the Second Administrative Reforms Commission?
- iv. What lessons are to be learnt from the recommendations of Second Administrative Reforms Commission to improve administration in local self government?

## **METHODOLOGY**

The methodology used for the study includes data collected through books, magazines, articles and journals. The study is also based on other relevant sources of data and information including that of newspaper reports, unpublished articles, papers and research work on Administrative Reforms in India. Further, the government officials dealing with Administrative Reforms in the state of Mizoram have also been contacted and their viewpoints have been incorporated in the present study.

## **CHAPTERISATION**

The whole work is divided into five chapters. The first chapter is the Introduction. The second chapter is titled 'Administrative Reforms in India: Origin and Growth', the third chapter is 'Second Administrative Reforms Commission in India: Major Recommendations'. The fourth chapter is titled 'Second Administrative Reforms Commission in India: Recommendations on Local Self Government'. The fifth and final chapter is the Conclusion.

The first chapter introduced the whole content of the work, the scope of the study, the methodology used for the study and it also highlights the aim and objectives of the study.

It gives brief introduction of the administrative reforms. The study was started with a view to help improve the working of local self government according to the recommendations of the Second Administrative Reforms Commission.

The second chapter deals with the elements and other important issues regarding Administrative Reforms in general. It also included the various reports submitted to the Government of India for Administrative Reforms from 1947 till the Second Administrative Reforms Commission.

The third chapter deals with the general introduction about the Second Administrative Reforms Commission including structure, members, terms of reference and activities. This chapter contains brief summary of all the fifteen reports submitted by the Second Administrative Reforms Commission.

The fourth chapter discusses the meaning, characteristics, and evolution of local self government. The chapter briefly describes the working of local self government in India since the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Act. It also discusses all important recommendations of the 6<sup>th</sup> and 15<sup>th</sup> Reports submitted by the Second Administrative Reforms Commission and the link between District Administration and local self government.



The final chapter is the Conclusion. It is divided into two parts. The first part consists of the summary of all the previous chapters. The second part of the chapter contains the findings and suggestions for the improvement of the workings of local self government according to the recommendations of the Second Administrative Reforms Commission, with which the research is concluded.

This chapter introduced the whole content of the work, the scope of the study, the methodology used for the study and it also highlights the aim and objectives of the study. It gives brief introduction of the administrative reforms. The study was started with a view to suggesting suitable measures to improve the working of local self government according to the recommendations of the Second Administrative Reforms Commission.

## CHAPTER II

### ADMINISTRATIVE REFORMS IN INDIA: ORIGIN AND GROWTH

The previous chapter has introduced the concept of Administrative Reforms in India and the need for the conceptual study. In this chapter we will discuss the elements and other important issues regarding administrative reforms in general, Administrative Reforms in India from 1947 till the Second Administrative Reforms Commission.

Reform is a comprehensive subject. It is of utility and is indispensable. A Government work is indispensable for the state. A Government works ordinarily in accordance with its policy. The policy may be inherited as a legacy and adopted accordingly, either involuntarily or voluntarily, or it may be newly framed and declared, or developed in course of time. And nothing is ultimate and incorrigible, for otherwise it would become static. Experience teaches that some changes become necessary with the passage of time.<sup>1</sup>

Paul H.Appleby suggested two basic types of changes in administration: constant and episodic. The first type stands for incremental changes that occur in course of spontaneous adjustments to changing situations. Now filing system, alternations in procedures of work, reshuffling of posts are example of this type. Episodic change is called 'reorganisation by

---

<sup>1</sup> Nandita, *Administrative Reforms (Initiatives and Impact)*, Jaipur:Aalekh Publishers, 2004.p.1

Appleby. It is much more wide-ranging in scope and content involving a major shape-up in government.<sup>2</sup>

Effective administration is a dynamic process to face challenges of the time. The administrative machinery requires oiling, toning or complete overhauling because no organisation however well geared towards the fulfilment of its set of objectives can remain stable in its maintenance. After a period of time systematic deterioration is bound to appear due to changed perception of national ethos, technological advancement, environmental imperatives and search for alternative to status quo for a 'better tomorrow'.<sup>3</sup>

The administrative set up, which was inherited at the time of Independence, was structurally inadequate and functionally unprepared to meet the new challenge of economic development and social change which the nation has to accept as the new primary concern of the state policy. We have to get away from the heritage authoritarian, unresponsive and unaccountable to the public of pre Independence administration. Moreover, as the government has adopted the goal of a welfare state, the inability to carry out the social and economic policies of the government is the most important weakness of the administrative system. There is disconcerting gap between intention and action in economic development as in other fields.

The Indian administrative system after attaining Independence has been facing problems of partition, refugees, migration, retirement of great numbers of administrative

---

<sup>2</sup> M. Sharma, *Indian Administration*, New Delhi: Anmol Publications Pvt. Ltd., 2003, p.473

<sup>3</sup> Nandita, *Administrative Reforms (Initiatives and Impact)*, Jaipur: Aalekh Publishers, 2004.p.1

personnel, problem of integration of princely states etc. The new government adopted the ideology of welfare of the people through socio-economic development, which led to a greater proliferation of tasks and functions. To take up the welfare programmes and challenges, the administrative machinery, which was inherited from the colonial regime and rendered weak by the circumstances and situations accompanying independence, had to be revamped and reinforced. Administration, as the instrument for designing and implementing all the developmental programmes had to be restructured, reformed and renewed. The administrative system has to change with the changing needs of its political, social and economic developments, which form part of the ecology of Public Administration<sup>4</sup>

## **MEANING OF ADMINISTRATIVE REFORMS**

Administrative reforms are mainly concerned with the systems, procedures, processes, methods and techniques of administration at national, state and local levels to bring about administrative efficiency and improvements.<sup>5</sup> The term ‘Administrative Reform’ applies to improvements in executive machinery ranging all the way from fundamental realignments in the structure of the government, to relatively minor changes in the methods of carrying on work within a department or ministry.<sup>6</sup>

Administrative reform is a process that involves enhancement in the capacity of an administrative system to achieve its assigned goals. It involves “artificial inducement of administrative transformation against resistance.” Reforming a system implies a modification

---

<sup>4</sup> P.R. Krishna Aiyar, *Public Administration (With Special Reference to India)*, New Delhi: Criterion Publications, 1988, p.434

<sup>5</sup> Hoshiar Singh, Mohinder Singh, *Public Administration in India*, New Delhi: Sterling Publishers, 1989. p.502

<sup>6</sup> Dr. P.S. Bhatnagar ed., *Indian Administration (Issues and Options)*, Jaipur: Mangal Deep Publications, 2003, p.45

in its 'form', but it does not mean that administrative reforms deal with only structural changes in a system. It is much broader in scope and includes in its ambit improvements in structures, processes and behaviour of the administrative system and its components.<sup>7</sup>

Reform implies change, but not all changes are reforms as all reforms are changes. Changes which create a better working and better changes may be called reforms especially in administrative reforms. The term 'reform' means "to become better by removal or abandonment of imperfections or errors;" also removal of abuse especially in policies, improvements made or suggested.<sup>8</sup>

Gerald E. Caiden has defined administrative reform as "artificial inducement of administrative transformation against resistance".<sup>9</sup>

Arne F. Leemans describes administrative reform as 'induced change in the machinery of government . . . undertaken in an effort to bridge a gap between reality and desirability'.<sup>10</sup>

Administrative reforms can be piecemeal or comprehensive; can be a short-term or long-term. Reforms are the result of a broad impact of many variables. Specific reforms as compared to comprehensive reforms are more successful. Administrative reforms differ from

---

<sup>7</sup> Ramesh K. Arora, Rajni Goyal, *Indian Public Administration*, New Delhi:Wishwa Prakashan, 2007, p.571

<sup>8</sup> Nandita, *Administrative Reforms (Initiatives and Impact)*, Jaipur:Aalekh Publishers, 2004, p.3

<sup>9</sup> Hoshiar Singh, Mohinder Singh, *Public Administration in India*, New Delhi: Sterling Publishers, 1989, p.502

<sup>10</sup> S.R. Maheshwari, *Administrative Reforms in India*, New Delhi:Macmillan India Ltd. 2002, p.3

market-oriented reforms as they are concerned with the people's aspiration and formation of welfare state rather from allocation of resources. Administrative reforms lead to organisational change.<sup>11</sup>

## **NEED FOR ADMINISTRATIVE REFORMS**

With the departure of British from our country in 1947 and the adoption of the new constitution of India in 1950, the need for reforming administration has, according to the Administrative Reforms Commission, emerged because of basic changes in the functions of the Government of today and the context in which it has been operating. The responsibilities of the Government have changed to a large extent due to its direct involvement in the socio-economic development. Moreover, the introduction of the system of Parliamentary democracy by the Constitution has also changed the context of the Indian Government. Furthermore, the citizen's participation in development has major implications for the administrative system of the country.<sup>12</sup>

The inherited administrative set-up at the time of independence was “structurally inadequate and functionally unprepared to meet the new challenge of economic development and social change which had to be accepted by the nation as the new primary concern of the state policy”. The bureaucracy, which was earlier known for its administrative excellence, has now come under continuous close scrutiny in the context of the new quasi-federal polity, parliamentary democracy committed to development with social justice to all entailing a new

---

<sup>11</sup> Deepali Singh, Nafees A. Ansari. ‘Administrative Reforms in India: An Overview’, *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LIII, No. 3, July-September 2007 p. 476.

<sup>12</sup> Hoshiar Singh, Mohinder Singh, *Public Administration in India*, New Delhi: Sterling Publishers, 1989, p.503

structure and a new orientation. Thus, it stood in dire need of reorganization, reorientation and reform.<sup>13</sup>

## **ADMINISTRATIVE REFORMS IN INDIA**

When India achieved independence in 1947, it faced problems of partition, refugees, migration, retirement of great numbers of administrative personnel, problem of integration of princely states etc. the new government adopted the ideology of welfare of the people through socio-economic development, which led to a greater proliferation of tasks and functions. To take up the welfare programmes and challenges, the administrative machinery, which was inherited from the colonial regime and rendered weak by the circumstances and situations accompanying independence, had to be revamped and reinforced. Administration, as the instrument for designing and implementing all the developmental programmes had to be restructured, reformed and renewed.

Various attempts made by the Government of India in administrative reforms are as follows:

### **Secretariat Reorganisation Committee Report, 1947**

The Secretariat Reorganisation Committee under the chairmanship of Girija Shankar Bajpai was appointed before the actual transfer of power in 1947. The Committee recommended certain measures for reorganizing the secretariat departments and suggested

---

<sup>13</sup> Hoshier Singh, Mohinder Singh, *Public Administration in India*, New Delhi: Sterling Publishers, 1989.p.505

procedural changes in the secretariat. The report of the First Pay Commission, set up under the chairmanship of Vardachariar, was also received by the Central Government in 1947.<sup>14</sup>

### **The Economy Committee Report, 1948**

The Economy Committee was set up in 1948 with Kasturbai lalbai, a prominent industrialist as its chairman “to review the increase in the civil expenditure of the central government since 1938-39 and to make recommendation for the promotion of true economy in the administration by the elimination of unnecessary, wasteful or extravagant expenditure.”<sup>15</sup> It gave significant recommendations to bring about economy in administration and to check unnecessary waste of public money.<sup>16</sup>

### **Ayyanger Committee Report, 1949**

In 1949, the Government constituted a one-man committee, known as Gopalaswami Ayyanger Committee to look critically into the existing government machinery and make recommendations for its reorganization. His major recommendation was on the grouping of central governmental ministries into four bureau: was primarily designed to secure coordination of policy and planning, the establishment of a common Financial Advisory Organisation and a common Central Administrative Office for the efficient performance of common service and administrative coordination.<sup>17</sup> He also recommended the establishment of an Organisation and Methods Division in the Ministry of

---

<sup>14</sup> Ramesh K. Arora, Rajni Goyal, *Indian Public Administration*, New Delhi:Wishwa Prakashan, 2007, p.575

<sup>15</sup> Hoshiar Singh, Mohinder Singh, *Public Administration in India*, New Delhi: Sterling Publishers, 1989.p.511

<sup>16</sup> Urmila Sharma, S.K. Sharma, *Public Administration*, New Delhi:Atlantic Publishers and Distributors, 2002, p.539

<sup>17</sup> Hoshiar Singh, ‘Administrative Reforms in India’, P.S. Bhatnagar ed., *Indian Administration (Issues and Options)*, Jaipur:Mangal Deep Publications, 2003, p.47



Home Affairs to keep constant watch over the performance of public establishments and public services and to improve their efficiency.

### **Gorwala Report, 1951**

In 1951, a Committee headed by A.D. Gorwala presented 2 reports, one on “Public Administration in India” and another on “Efficient Conduct of State Enterprises” to the Planning Commission. He recommended, introducing organisation and method procedure in various government organizations. He stressed efficiency and discipline in the civil service and on promoting an understanding between the politicians and administrators. He observed that the ministries should not interfere in the working of the Heads of Departments;<sup>18</sup> Whitley Councils should be established on the pattern of U.K; recruitment system should be reformed; and the training of IAS should be made more systematic.

### **Paul H. Appleby Reports, 1953 and 1956**

In 1952, the Government of India invited famous American expert Paul H. Appleby to suggest reforms in Indian Administration. In 1953, he submitted his first report namely “Public Administration in India: Report of a survey”. He made several recommendations for improving work procedure and for enhancing the capabilities of the administrative organisation. As a result of this report, the Indian Institute of Public Administration was set up on March 29, 1954 under the chairmanship of Pandit Jawharlal Nehru, the then Prime Minister, for promoting research in public administration. Also the Organisation and Methods Division was set up in the Cabinet Secretariat. His second report

---

<sup>18</sup> Ramesh K. Arora, Rajni Goyal, *Indian Public Administration*, New Delhi:Wishwa Prakashan, 2007, p.575

namely “Re-examination of India’s Administrative System with special reference to Administration of Government’s Industrial and Commercial Enterprises” were submitted in 1956. It dealt with matters pertaining to streamlining organisation, work procedures, recruitment, and training in these enterprises.

### **K. Santhanam Committee Report, 1962**

In 1962, to investigate the present means to combat corruption and suggest further necessary steps a committee was appointed under Shri K Santhanam. In 1964, the committee submitted its report to the government. The committee was of the opinion that under the present circumstances, no work was possible in the administration without corruption. It can only be combated when there was a will to do so, and the people were ready for it. The committee gave a few suggestions of which following are most important:

- i. Establishment of a Vigilance Commission with autonomous powers, and
- ii. The government servants conduct rules be amended, restricting the employment of retired government servants by private businessmen.<sup>19</sup>

Administrative Reforms, until the setting up of the Administrative Reforms Commission, have been carried out mostly in the spirit, style and shape of improvisations. These several committees that have sat to report on administrative reforms suggested some alternations here and some additions there. Few have gone deeper and examined the whole

---

<sup>19</sup> Urmila Sharma, S.K. Sharma, *Public Administration*, New Delhi: Atlantic Publishers and Distributors, 2002, p.541

system of administration as such; almost all have been the prisoners of the existing framework and the system that underscores it.<sup>20</sup>

### **First Administrative Reforms Commission, 1966**

In 1966, The Government of India set up the Administrative Reforms Commission, “To examine the public administration of the country and make recommendations for reforms and reorganisation where necessary.”<sup>21</sup> The commission consists of six members and its first chairman was Shri. Morarji Desai. The other members were, Shri. Hanumanthaiya, H.c. Mathur, H.V. Kamath, and V. Shankar, Shri. Hanumantahiya succeeded Mr. Desai when the latter became Deputy Prime Minister on March 13, 1967. The Commission was to consider the following aspects:

- i. The machinery of the Government of India and its procedure of work
- ii. The machinery for planning at all levels
- iii. Centre-State relationship
- iv. Financial Administration
- v. Personnel and Economic Administration
- vi. State Administration
- vii. District Administration
- viii. Agricultural Administration
- ix. Problems of redressal of citizen’s grievances

---

<sup>20</sup>Hoshiar Singh, ‘Administrative Reforms in India’, P.S. Bhatnagar ed., *Indian Administration (Issues and Options)*, Jaipur:Mangal Deep Publications, 2003, p.49

<sup>21</sup> Urmila Sharma, S.K. Sharma, *Public Administration*, New Delhi:Atlantic Publishers and Distributors, 2002, p.541

The Administrative Reforms Commission undertook an indepth study of the organisational structure, the personnel, processes and procedures in the administration and in all it made 578 recommendations to remove the deficiencies and streamline the administration of the country.<sup>22</sup> Of these 519 were related to State Governments, 51 to the Union Government and 8 were concerning both the Government.<sup>23</sup>

## **Major Recommendations**

### **Redress of citizens' Grievances:**

Special officers should be established for the redress of citizens' grievances. There should be two authority; one is 'Lok Pal' whose cadre should be similar to the Chief Justice of the Supreme Court, for dealing with complaints against the administrative acts for Ministers or Secretaries to Government at the Centre and in the States, and the other authority called 'Lok Ayukta' in each State and at the Centre whose cadre should be similar to the judges of State High Courts, for dealing complainst against the administrative acts of the officials.

### **The Administrative Machinery of Union Government**

The size of the Union Council of Ministers should be determined in accordance with the requirement and the ministries should be rationally organised while allotting departments. The role of the Cabinet Secretary should be of chief advisor and coordinator among the Prime Minister, the Cabinet and Cabinet Committees. A Personnel Department

---

<sup>22</sup> Hoshiar Singh, Mohinder Singh, *Public Administration in India*, New Delhi: Sterling Publishers, 1989.p.514

<sup>23</sup> Urmila Sharma, S.K. Sharma, *Public Administration*, New Delhi: Atlantic Publishers and Distributors, 2002, p.542

should be set up for policy formulation and functions regarding the personnel under the Prime Minister.<sup>24</sup>

### **The Planning Commission**

The Planning Commission should have no executive function and authority and should confine itself to the plans formulation and evaluation of performance of plan .The National Development Council which is at present composed of the Prime Minister, Deputy Prime Minister, if any, and of the Chief Ministers of all the States, should have also the Union Ministers of ten important departments.<sup>25</sup>

### **Centre- State Relations**

In accordance with the provisions of Article 273 of the Constitution, an inter-State Council should not be head of the Planning Commission, though a close rapport with the Prime Minister is essential. The Finance Minister should also not be a member, as no ministries should be appointed as members. The membership of the Commission should not exceed seven and its selection should be made on the basis of experience and specialization. The members of the Commission should be given status of a Cabinet Minister.<sup>26</sup>

---

<sup>24</sup> Urmila Sharma, S.K. Sharma, *Public Administration*, New Delhi:Atlantic Publishers and Distributors, 2002, p.543

<sup>25</sup> N. Jayapalan, *Indian Administration, vol-II*, New Delhi:Atlantic Publishers and Distributors, 2001, p.648

<sup>26</sup> Urmila Sharma, S.K. Sharma, *Public Administration*, New Delhi:Atlantic Publishers and Distributors, 2002, p.543

## **Personnel Administration**

The Government servants should not have right to strike. Their disputes and grievances should be settled through joint consultant councils and civil service tribunals. Moreover there should be a unified grading structure for the Civil Servant, so as to facilitate movement of required and qualified officers from one area to another.

## **Finance Accounts and Audit**

All departments having determination programmes should adopt performance budgeting. Audit should aim at a positive and constructive approach directed towards seeing improvements in organisational efficiency and effectiveness of financial rules and procedures.<sup>27</sup> For developing financial competence in each Ministry or Department, the system of internal financial advice should be strengthened. The Internal Financial advice should begin from November 1 every year.

## **Public Sector Undertakings**

The practice of sending public officials for temporary service in public enterprises should cease. For each major area one 'Sector Corporations' should be appointed for promotion and development in that area as well as setting up of new projects. To make the concerned Ministries and Public Undertaking a more effective service agency there should be reorganisation in the Bureau of Public Enterprises.

---

<sup>27</sup> N. Jayapalan, *Indian Administration, vol-II*, New Delhi: Atlantic Publishers and Distributors, 2001, p.647

## **Role of Governors**

For the role of the Governor, persons with long experience of administration and public life should be appointed. He is ineligible for re-appointment on the termination of his tenure. The State Chief Minister must appoint the Governor of a State. To ascertain the majority the Governor must call the special session of the legislature.

## **Economic Administration**

A high-powered Commission on 'Prices, Cost and Tariff', should be set up to assist the Government in evolving rational price policies and in creating a climate of consciousness and also take over the functions of the Tariff Commission.<sup>28</sup>

## **State Administration**

The size of the Council of Ministers in a State should be determined by the administrative needs and in big States it may range from 8-12 Ministers to make it compact and homogeneous. For promoting detailed legislative review, State Legislatures- Standing Committees may be set up in selected areas of administrative activity. A department of personnel should be set up and O and M Division must be activated.

## **District Administration**

The district administration should be divided into two classes as (i) Administrative, and (ii) Developmental. The District Magistrate should be responsible for the Administrative

---

<sup>28</sup> N. Jayapalan, *Indian Administration, vol-II*, New Delhi: Atlantic Publishers and Distributors, 2001, p.648

class and the Developmental class should be transferred to the Panchayati Raj administration, a senior official should be appointed District Development Officer. He should also be the executive officer of the District Board.<sup>29</sup>

The government has not accepted all the recommendations made by the Administrative Reforms Commission, some of the recommendations were receiving serious attention of the government while some of them were accepted and were implemented. During the period of 1970-80, due to Administrative Reforms Commission Recommendations and efforts of the central reform agency, enormous changes in administrative structure, system and procedures took place. On the recommendation of Administrative Reforms Commission, the department of personnel was set up, department of administrative reforms was restructured for better performance, system of secretariat working was improved by introducing desk officer system, performance budgeting was introduced by all government ministries, maximum possible powers were delegated, and the working of Bureau of Public Enterprises was improved after the recommendations of the ARC Report on Public Sector.<sup>30</sup> Also the government has accepted the recommendation of appointing 'Lok Pal' and 'Lok Ayukta'. National Development Council has also been reorganised on the recommendations of the Commission.

## **Second Administrative Reforms Commission, 2005**

---

<sup>29</sup> Urmila Sharma, S.K. Sharma, *Public Administration*, New Delhi: Atlantic Publishers and Distributors, 2002, p.544

<sup>30</sup> Hoshiar Singh, 'Administrative Reforms in India', P.S. Bhatnagar ed., *Indian Administration (Issues and Options)*, Jaipur: Mangal Deep Publications, 2003, p.52



The Government of India set up the Second Administrative Reforms Commission (ARC) on August 31, 2005 under the chairmanship of Shri. M. Verrappa Moily. The Commission was set up with a view to suggest measures to revamp public administration and to bring a responsive and accountable administration in the country. The Commission consists of the following members:

- i. Shri. M. Veerappa Moily – Chairperson
- ii. Shri V. Ramachandran – Member
- iii. Dr. A.P. Mukherjee – Member
- iv. Dr. A.H. Kalro – Member
- v. Dr. Jayaprakash Narayan – Member
- vi. Smt. Vineeta Rai - Member-Secretary

The Second Administrative Reforms Commission has been given a wide term of reference covering all aspects of public administration. In its four years of deliberations the Commission's has submitted 15 reports by 31<sup>st</sup> May 2009 on a wide range of issues as: The First Report is on Right to Information: Master Key to Governance; The Second Report is titled 'Unlocking Human Capital; Entitlements and Governance - a case study'; The Third Report is on 'Crisis Management: From Despair to Hope'; The Fourth Report is titled 'Ethics in Governance'; The Fifth Report is on Public Order; The Sixth Report is titled 'Local Governance'; The Seventh Report is on 'Capacity Building for Conflict Resolution'; The Eighth Report is titled 'Combating Terrorism – Protecting by Righteousness'; The Ninth Report is on 'Social Capital – A Shared Destiny'; The Tenth Report is titled 'Refurbishing of Personnel Administration – Scaling New Heights'; The Eleventh Report is on Promoting e-Governance - The SMART Way Forward; The Twelfth Report is titled 'Citizen Centric Administration - The Heart of Governance'; The Thirteenth Report is on 'Organisational

Structure of Government of India'; The Fourteenth Report is titled 'Strengthening Financial Management System'; and the last Fifteenth Report is on 'State and District Administration'.

This chapter deals with the elements and other important issues regarding Administrative Reforms in general. It also included the various reports submitted to the Government of India for Administrative Reforms from 1947 till the Second Administrative Reforms Commission.

## **CHAPTER III**

### **SECOND ADMINISTRATIVE REFORMS COMMISSION IN INDIA: MAJOR RECOMMENDATIONS**

The previous chapter discusses the concept, meaning, elements and other important issues regarding administrative reforms in general. It also discusses the Administrative Reforms in India from 1947, till the Second Administrative Reforms Commission. This chapter will deal with the general introduction about Second Administrative Reforms Commission including structures, members, terms of reference, activities and brief summary of all the fifteen reports.

The Government of India set up the Second Administrative Reforms Commission (ARC) on August 31, 2005 under the chairmanship of Shri. Veerappan Moily to prepare “a detailed blueprint for revamping the public administration system,” The Commission consist of the following members:

- i. Shri. Veerappa Moily – Chairperson
- ii. Shri. V. Ramachandran – Member
- iii. Dr. A.P. Mukherjee – Member
- iv. Dr. A.H. Kalro – Member
- v. Dr. Jayaprakash Narayan – Member
- vi. Smt. Vineeta Rai - Member-Secretary

The Commission is asked to suggest measures to achieve a “proactive, responsive accountable, sustainable and efficient administration for the country at all levels of the

government". Further, unlike the first ARC, the Commission of Inquiry was asked to look into 13 aspects of the governance and submit reports on the newer aspects of 21<sup>st</sup> century public administration,<sup>1</sup> which are as follows:

- i. Organisational structure of the Government of India
- ii. Ethics in governance
- iii. Refurbishing of Personnel Administration
- iv. Strengthening of Financial Management Systems
- v. Steps to ensure effective administration at the State level
- vi. Steps to ensure effective District Administration
- vii. Local Self-Government/Panchayati Raj Institutions
- viii. Social Capital, Trust and Participative public service delivery
- ix. Citizen-centric administration
- x. Promoting e-governance
- xi. Issues of Federal Polity
- xii. Crisis Management
- xiii. Public Order<sup>2</sup>

The Commission may exclude from its purview the detailed examination of administration which are already being examined by other bodies, like the administration of Defence, Railways, External Affairs, Security and Intelligence, as also subjects such as Centre-State relations, judicial reforms etc. The Commission will, however, be free to take the problems of these sectors into account in recommending re-organisation of the machinery of the Government or of any of its service agencies.

---

<sup>1</sup> V. Bhaskara Rao and P. Narasimha Rao, Civil Service Reform in India, *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LIII, No. 3, July-September 2007 p. 488

<sup>2</sup> See *Second ARC Report*, Resolution, New Delhi, the 31<sup>st</sup> August, 2005

The Commission is asked to give due consideration to the need for consultation with the State Governments. The Commission will devise its own procedures (including for consultations with the State Government as may be considered appropriate by the Commission), and may appoint committees, consultants/advisers to assist it. It may take into account the existing material and reports available on the subject and consider building upon the same rather than attempting to address all the issues from the beginning.

The Ministries and Departments of the Government of India will furnish such information and documents and provide other assistance as may be required by the Commission. The Government of India trusts that the State Governments and all others concerned will extend their fullest cooperation and assistance to the Commission.

The Commission will furnish its report(s) to the Ministry of Personnel, Public Grievances & Pensions, Government of India, within one year of its constitution.

Here we may discuss in brief all the Fifteenth Reports of the Second Administrative Reforms Commission:

### **First Report: Right to Information (June 2006)**

The Second Administrative Reforms Commission has made 21 recommendations on its First Report: Right to Information of these the important recommendations were the official secrets act which were in Para 2.2.12 Here the commission recommended that any person having in his possession or control any official secrets or holding office under the government or if being entrusted by another person who have held an office under the

government, if failed to take reasonable care of the official secrets or if proved himself to cause danger to the safety of the official secret or if he fails to return the official secrets when it is his duty to do so is liable to punishment which include imprisonment for a term extendable up to three years or with fine or both. The other important recommendation is The Central Civil Services (Conduct) Rules which were in Para 3.1.4, here it is recommended that all the government servant shall perform their duties in good faith and they should give a full and accurate information while communicating with to any organization or any member of public. It has explained that this shall be interpreted as permitting communication of classified information in an unauthorised manner or for improper gains to a Government servant or others. does not include communicating in unauthorized information of classified information to a Government Servant or others. The other important recommendations under the First Report of the Second Administrative Reforms Commission is the Capacity Building and Awareness Generation which is in Para 5.5.5, here it is recommended that training which is organized in a decentralized manner should be imparted among all government functionaries on Right to Information at least for one day within a year and it should not be confined to merely Public Information Officers (PIOs) and Assistant Public Information Officers (APIOs). The last important recommendations in its First Report of the Second Administrative Reforms Commission is the Application of the Act to the Legislature and the Judiciary which is in Para 7.11, here the Commission recommended that a system of indexing and cataloguing of records of the legislatures, which facilitates easy access, should be put in place. This could be best achieved by digitizing all the records and providing access to citizens with facilities for retrieving records based on intelligible searches.<sup>3</sup>

---

<sup>3</sup> See *First Report of the Second ARC*, summary of recommendations, p.p.53-69

## **Second Report: Unlocking Human Capital**

The Second Administrative Reforms Commission in its Second Report on Unlocking Human Capital, the Commission has analysed the National Rural Employment Guarantee Act (NREGA) and given recommendations in this view which will also be valid for the other related programmes. In Para 5.2.1.6 on Guaranteeing Reach here the Commission recommended that the State Governments should take up all the awareness generation programmes and it is provided that the material concerned and the guidance should be made available to the Public in local languages and the effectiveness of the concerned programmes should be measured through independent sample survey. For expanding the scheme stated in Para 5.2.4.2 the Commission recommended that the extension of NREGA should be taken up in a phased manner to remaining areas, and the most backward blocks should be included as a unit instead of a district. It should not take more than six months to finalize the expansion plan. In Para 5.3.3.15 on Financial Management System the Commission recommended direct transfer of funds from the Government of India to the district and the contribution of the State Governments may be fixed at the total cost of REGS in a year annually. In Para 5.4.6.7 on Curbing Corruption and Leakages, in the preparation of templates of estimates of general works the inputs of labour and material required should be shown which should act as an aid for preparations of estimates.<sup>4</sup>

## **Third Report: Crisis Management**

The Second Administrative Reforms Commission in its third report on Crisis Management had made 39 important recommendations. Mostly this report deals with the

---

<sup>4</sup> See *Second Report of the Second ARC*, Summary of Recommendations, p.p 96-111

enactment of disaster management, in its report Para 4.1.5 the Commission recommended for a new entry for “Management of Disasters and Emergencies, natural or manmade,” which may be included in List III which is the Concurrent List of the Seventh Schedule of the Constitution.<sup>5</sup> The need for the amendment of the Disaster Management Act, 2005 were stressed under Para 4.2.3.5 titled “Analysis of the Disaster Management Act, 2005.” Here the Commission recommended that the Union as well as the State Government should play a supportive role in Disaster/Crisis management and this should remain their primary responsibility for both the Union and State Government. The categorization of disasters like local, district, state or national level should be provided by the Act which will help in the determination of the level of authority responsible for dealing with the scale of response and the disaster. In this Report the role of Local Self Government were also included in Para 4.3.4.2, that the State Government should determine for a state disaster management law which will govern the local bodies for providing a well defined role for both the municipal bodies and panchayati raj institutions. This Report also stressed the need for strengthening of National Institute of Disaster Management (NIDM) in Para 4.3.11.2 where it is mentioned that the NIDM should engage in documenting and disseminating global and national best practices in addition to research studies for developing planning, training, evaluation and methodologies, and it may continue as an autonomous body and function as an apex professional institution in disaster management.

#### **Fourth Report: Ethics in Governance**

This Report includes 48 important recommendations which mainly stressed on the reform of political administration. The Commission recommended Reform of Political

---

<sup>5</sup> See *Third Report of the Second ARC*, Summary of Recommendations, p.114



Funding which is in Para 2.1.3.1.6 and stressed that for reducing the expenditure for elections partial state funding system should be introduced which will help in reducing the illegitimate and unnecessary funding. The disqualification of members on grounds of defection should be decided by the President/Governor on the advice of the Election Commission,<sup>6</sup> this statement were stressed under Para 2.1.3.2.4 Tightening of Anti-Defection Law. The Appointment of the Chief Election Commissioner/Commissioners in Para 2.1.5.4 stressed that ‘A collegiums headed by the Prime Minister with the speaker of the Lok Sabha, the Leader of Opposition in the Lok Sabha, the Law Minister and the Deputy Chairman of the Rajya Sabha as members; should make recommendations for the consideration of the President for appointment of the Chief Election Commissioner and the Election Commissioners’.<sup>7</sup> On Grounds of Disqualification for Membership in Para 2.1.7.3 it includes that ‘Appropriate legislation may be enacted under Article 102(e) of the Constitution spelling out the conditions for disqualification of Membership of Parliament in an exhaustive manner. Similarly, the States may also legislate under Article 198(e).<sup>8</sup> In Defining Corruption which is in Para 3.2.1.10 a statement was made which should be classified as offences under the Prevention of Corruption Act which were: Gross perversion of the Constitution and democratic institutions amounting to willful violation of oath of office; Abuse of authority unduly favouring or harming someone; Obstruction of justice; Squandering public money.

### **Fifth Report: Public Order**

The Second Administrative Reforms Commission in its Fifth Report which is on Public Order has made 51 important recommendations ranging from State Government and

---

<sup>6</sup> See *Fourth Report of the Second ARC*, Summary of Recommendations, p.173

<sup>7</sup> See *Fourth Report of the Second ARC*, Summary of Recommendations, p.173

<sup>8</sup> See *Fourth Report of the Second ARC*, Summary of Recommendations, p.174

the Police, Police Establishment Committees, Welfare Measures for the Police, An Independent Inspectorate of Police, and The Role of the Media in Public Order. In this Report the Commission recommended that ensuring efficiency, effectiveness, responsiveness and accountability in the functioning of police in the entire state shall be the responsibility of the State Government. In Para 5.2.2.30 on ‘Separation of Investigation from other functions,’ the Commission recommended that there should be a separate Crime Investigation from other policing functions and in each state there should be constituted a Crime Investigation Agency which is headed by a Chief of Investigation under the administrative control of a Board of Investigation, to be headed by a retired/sitting judge of the High Court.<sup>9</sup>

### **Sixth Report: Local Governance**

The Second Administrative Reforms Commission in its Sixth Report on Local Governance, they has examined in detail the issues relating to rural and urban local governance in India with a special focus on the need for real democratic decentralisation in the country in order to usher in genuine grass roots democracy as envisaged by the founding fathers of our republic and as now specifically mandated by our Constitution. The report in Para 3.1.1.12 on The Principle of Subsidiarity states that Article 243 G should be amended as Subject to the provisions of the Constitution, the Legislature of a State shall, by law, vest a Panchayat at the appropriate level having necessary powers and authority to enable them to function as institutions of self government irrespective of all functions which can be performed at the local level which include of the matters listed in the Eleventh Schedule. In Para 3.2.1.12 on The Electoral Process the Commission recommended that the task of delimitation and reservation of constituencies should be entrusted to the State Election

---

<sup>9</sup> See *Fifth Report of the Second ARC*, Summary of Recommendations, p.p. 253-276

Commissions (SECs) and the Local government laws in all States should provide for adoption of the Assembly electoral rolls for local governments without any revision of names by SECs. The voter registration and preparation of electoral rolls by Election Commission of India should be necessarily based on geographic contiguity to make the process more effective. Similarly, the electoral divisions for elections to local bodies should follow the Building Blocks approach. In Para 5.4.3.6.4 on Power Utilities and Municipal Bodies, the Commission recommended that encouragement of Municipal bodies is necessary to take responsibility of power distribution in their areas, which should be done only after building adequate capacity in these organisations. The distribution networks of power and other utilities layout plans should be coordinated by the Municipal bodies.<sup>10</sup>

### **Seventh Report: Capacity Building for Conflict Resolution**

The Second Administrative Reforms Commission in its Seventh Report on Capacity Building for Conflict Resolution which is submitted on February 2008 had made a number of important recommendations, which is willing to examine the background and rising facet of the many conflicts that occur in India. These have been spread in depth in separate chapters ranging from Left extremism to land and water related conflicts, to conflicts based on religion, regional disparities and social divisions (with particular focus on the SCs, STs and the OBCs) as well as spirit conflicts based upon political identity and ethnicity such as the militancy in the North East. The Report thereafter looks at the present operational and institutional measures for conflict management and how the facility of these mechanisms can be strengthened so as to better determine and deal with conflicts in the country. The Commission in its report in Para 3.8 on Left Extremism felt the need for providing training

---

<sup>10</sup> See *Sixth Report of the Second ARC*, Summary of Recommendations, p.p. 312-348

and reorientation which should include sensitising the police and parliamentary personnel to the root causes of the turbulence that they are seeking to control, it also includes the establishment and strengthening local level police stations which is adequately staffed by local workers. Regarding Water Related Issues which is in Para 5.5 the Commission mentioned that the Union Government needs to be more proactive and decisive in cases of inter-State river disputes and act with the promptness and sustained attention that such disputes demand. Since Article 262 of the Constitution provides that neither the Supreme Court the Supreme Court nor any other Court shall exercise jurisdiction in respect of inter-State river disputes, it is necessary that the spirit behind this provision is fully appreciated.<sup>11</sup>

### **Eighth Report: Combating Terrorism-Protecting by Righteousness**

The Second Administrative Reforms Commission in its Eight Report on Combating Terrorism-Protecting by Righteousness has made several recommendations ranging from the Need for a Comprehensive Anti Terrorist Legislation, Review Committee, Possession of Arms, Measures against Financing of Terrorism including Anti-money Laundering and Measures to Block the Flow of Funds for Financing Terrorist Activities and the Role of Citizens, Civil Society and Media in Combating Terrorism Education. In Para 4.1.6.9 on Need for a Comprehensive Anti Terrorist Legislation, the Commission recommended the enactment of a complete and efficient legal provision which could be included in the National Security Act, 1980 to deal with, as a separate chapter, the aspects of terrorism. The Law of this legal provision should have sufficient safeguards to avoid its misuse. In the Definition of Terrorism which is in Para 4.2.9 The Commission state the need to define those criminal acts which can be construed as being terrorist to nature, these include the use of firearms,

---

<sup>11</sup> See *Seventh Report of the Second ARC*, Summary of Recommendations, p.207

explosives or any other lethal substance to cause or likely cause damage to life and property and essential infrastructure including installations/establishments having military significance. It also includes assassination of public functionaries and detention of any person or threat to kill or injure any person to force the government to act or abstain from acting in a particular manner. Also it includes providing or facilitating material support, like finances. Regarding the Bail Provision in Para 4.3.8 the Commission recommended that no person accused of an offense punishable under this Act could be released on Bail unless the Court gives an opportunity of being heard to the Public Prosecutor and if the Public Prosecutor opposes the bail application no person shall be released unless the Court had a satisfying ground to believe that the accused is not guilty of such offences. Para 4.7.10 states for the constitution of a Statutory Review Committee, to examine each case registered, within 30 days of its registration. The Committee should satisfy itself that a clear case has been made out by the investigation agency and should review each case every quarter, and Para 4.9.5 states the provision for establishment of Special Fast Track Courts exclusively for trial of related cases.<sup>12</sup>

### **Ninth Report: Social Capital- A Shared Destiny**

In this Report on Social Capital, the Commission has explored the evolution and growth of institutions that lie at the base of social capital in India and made several important recommendations. In Para 3.1.2.6 on New Legal Framework for Charities in India the Commission states that the Union Government should draft a comprehensive model legislation covering both Trusts and Societies in lieu of the existing laws on Societies, Trusts, Endowments and Charitable Institutions etc. It also recommended that the government should

---

<sup>12</sup> See *Eight Report of the Second ARC*, Summary of Recommendations, p.p. 115-118

set up an Inclusive Committee which will comprehensively examine the issue of defining ‘Charity’ and ‘Charitable Purpose’ and suggest measures to “soften” charities-government relationship, particularly in tax matters.<sup>13</sup> In Para 4.6.10 on Issues of Self-Help Group Movement the Commission recommended that the role of the Government in the growth and development of the Self Help Group (SHG) movement should be that of a facilitator and promoter whose objective should be creating a supportive environment for this movement. Since a large number of rural households in the North-Eastern States and Central-Eastern parts of the country including Bihar, Jharkhand, Uttar Pradesh, Uttarakhand, Orissa, Madhya Pradesh, Chhattisgarh and Rajasthan do not have adequate access to formal sources of credit, a major thrust on the expansion of the SHG movement in these areas should be facilitated. The presence of National Bank for Agriculture and Rural Development (NABARD) should be much more pronounced in these places.

### **Tenth Report: Refurbishing of Personnel Administration-Scaling New Heights**

The Commission in its Tenth Report on Refurbishing of Personnel Administration-Scaling New Heights in Para 5.3.6 on Stage of Entry into the Civil Services recommended for the establishment of National Institute of Public Administration to run courses for Bachelor’s Degree in Public Administration/governance/ management and it is expected that it would evolve as a major source of civil service aspirants. It also includes that for expanding the pool of eligible applicants to the civil services some selected Central and other Universities should be assisted to offer such programmes. In Para 5.5.5.3 on Structure of the Civil Services Examination the Commission recommended that the Civil Services Examination which includes the Preliminary Examination and the Main Examinations should be conducted

---

<sup>13</sup> See *Ninth Report of the Second ARC*, Summary of Recommendations, p.166

together on two to three consecutive days. Those candidates who have secured an entry level of marks in the Preliminary Examinations will take the main examination and the personality test will be conducted to only the short listed candidates which will be conducted within two months of the Preliminary Examination. In Para 15.6 on Relations between the Political Executive and Civil Servants the Commission states the need for safeguarding the political neutrality of the Civil Servants. It also includes the need for laying down certain norms for recruitment in government in order to avoid the complaints of favouritism, nepotism, corruption and abuse of power. In Para 17.5 on The Civil Service law it states that the title of the bill might be called 'The Civil Services Bill' and the Civil Services shall comprise of all personnel holding civil posts under the Government.<sup>14</sup>

### **Eleventh Report: Promoting e-Governance- The SMART Way Forward**

The Commission in its Eleventh Report on Promoting e-Governance- The SMART Way Forward made several important recommendations regarding the promotion of e-Governance in the State. In Para 6.2.2 on Building a Congenial Environment the Commission states that Building a congenial environment is an indispensable condition for successful implementation of e-Governance initiatives which could be achieved through creating and displaying a will to change within the government and, by providing political support at the highest level and also by incentivizing e-Governance and overcoming the resistance to change within government. It could also be achieved by creating awareness in the public with a view to generating a demand for change. In Para 6.10.6 on Public-Private Partnership (PPP) it states that several components of e-Governance projects lend themselves to the Public-Private Partnership (PPP) mode. In all such cases PPP should be the preferred mode. It also

---

<sup>14</sup> See *Tenth Report of the Second ARC*, Summary of Recommendations, p.p.315-335

includes that the private partner should be selected through a transparent process. The roles and responsibilities of government as well as the private partner should be clearly laid down in the initial stage itself, leaving no room for any ambiguity. In Para 7.3.3.8 on Mission Mode Projects the Commission states that the State Governments should first provide a clear mandate for governance reforms that must precede the e-Governance initiatives. This would involve, if necessary, changing procedures and even structures and statutes. Therefore as a first step, these issues need to be analysed, decision points identified and political approval taken.<sup>15</sup>

### **Twelfth Report: Citizen Centric Administration-The Heart of Governance**

The Second Administrative Reforms Commission in its Twelfth Report on Citizen Centric Administration- The Heart of Governance made several important recommendations pertaining to Citizen Centric Administration. In Para 3.3.4 on Functions of Government, the Commission recommended that Government organisations while performing regulatory functions should stick to the principles highlighted in paragraph 3.2.4. Government agencies, whether regulatory or developmental, should introduce the Single Window Agency concept within their organizations to minimize delays and maximize convenience to citizens. Government as a whole should draw a roadmap with timelines for expeditious creation of a single window at the local level for provision of all developmental and regulatory services to citizens. In Para 5.7.4 on Citizen's Participation in Administration, it should be mandatory for all government organizations to develop a suitable mechanism for receipt of suggestions from citizens, which could range from the simple 'Suggestion Box' to periodic consultations with citizens' groups. Heads of the concerned organizations should ensure rigorous follow up

---

<sup>15</sup> See *Eleventh Report of the Second ARC*, Summary of Recommendations, p.p.177-185



action on the suggestions received so that these become a meaningful exercise. A system of incentives and rewards should be introduced so that suggestions that lead to significant improvement or savings can be acknowledged. Every government organization must ensure a fool-proof system for registration of all complaints, a prescribed time schedule for response and resolution, and a monitoring and evaluation mechanism to ensure that the norms, prescribed are complied with. Use of tools of information technology can help to make such a system more accessible for citizens. It also includes those regular citizens' feedback and survey and citizens' report cards should be evolved by all government organisations for gauging citizens' responses to their services.<sup>16</sup>

### **Thirteenth Report: Organisational Structure of Government of India**

The Second Administrative Reforms Commission in its Thirteenth Report made several important Recommendations on the Organisational Structure of Government of India. In Para 4.2 on Core Principles of Reforming the Structure of Government of India the Commission mentioned that the restructuring of Government of India should be governed by the core principles mentioned in Para 4.1 which includes the core areas of Defence, International Relations, National Security, Justice and rule of law; Human development through access to good quality education and healthcare to every citizen; Infrastructure and sustainable natural resource development; Social security and social justice; Macro-economic management and national economic planning; National policies in respect of other sectors. In Para 5.3.11 on Rationalising and Reorganising the Ministries and Departments, the Commission mentioned that the concept of a Ministry would have to be redefined. A Ministry would mean a group of departments whose functions and subjects are closely related

---

<sup>16</sup> See *Twelfth Report of the Second ARC*, Summary of Recommendations, p.p.142-150

and is assigned to a First or Coordinating Minister for the purpose of providing overall leadership and coordination. This concept of a Ministry and the Coordinating (or First) Minister may be laid down in an explicit manner in the Allocation of Business Rules. Adequate delegacy among the Ministers would have to be laid down in the Transaction of Business Rules. In Para 5.5.3.3 on Policy Evaluation, it states that each Department should introduce a system of policy evaluation which would be out at the end of prescribed periods. All relevant policies should be updated in the light of the findings of such evaluations.<sup>17</sup>

### **Fourteenth Report: Strengthening Financial Management System**

The Second Administrative Reforms Commission in its Fourteenth Report has made several important recommendations on Strengthening Financial management System. In Para 4.5.8 on Unrealistic Budget Estimates, subject to audit the assumptions made while formulating estimates must be realistic and at the end of each year the reasons for the gap between the ‘estimates’ and ‘actuals’ must be assured and efforts made to minimize them. It also includes that the method of formulation of the annual budget through getting details from different organizations/units/agencies and fitting them into a predetermined total amount leads to unrealistic budget estimates. This method should be abandoned along with the method of budgeting on the basis of ‘analysis of trends’ and it should be replaced by a ‘top-down’ method by showing aggregate limits to expenditure to each organization or agency. In Para 5.3.6 on Development of Financial Information System the Commission states that a full bodied financial information system, on the lines of SIAFI of Brazil, needs to be created in the government in a time bound manner. In Para 8.9.7 on Relationship between Audit and the Government/Government Agencies, the Commission states the need for better understanding

---

<sup>17</sup> See *Thirteenth Report of the Second ARC*, Summary of Recommendations, p.p.160-166

and synergism between the audit and auditees for enhanced public accountability and consequently better audit affect.<sup>18</sup>

### **Fifteenth Report: State and District Administration**

The Second Administrative Reforms Commission in its Fifteenth Report has made several important recommendations on State and District Administration. In Para 2.3.2.12 on Size of the Council of Ministers, the Commission recommended that there is a need to reduced the size of the Council of Ministers in the States further considering the needs of an efficient government and that the maximum size of the Council of Ministers may be fixed in a range between 10% to 15% of the strength of their Legislative Assemblies. In the larger States (where membership of the Assembly is more than 200) such maximum percentage should be 10% where as in the medium (where the strength of the Assembly is between 80 and 200) and the smaller States (where the strength of the Assembly is below 80) it may be 12% and 15% respectively. It may also be ensured that the maximum number of Ministers permissible for the medium sized States should not exceed the number prescribed for a large sized State having 200 legislators and similarly, the maximum number of Ministers permissible for the smaller States should not exceed the number prescribed for a medium sized State having 80 Legislators. There may not be any minimum prescription. Also there is need to arrive at a national consensus on this issue through deliberations/discussions with the States at the Inter-State Council. In Para 5.7.3 on Absence of Linkage between the Sixth Schedule and the 73<sup>rd</sup> Amendment, the Commission recommended that Autonomous

---

<sup>18</sup> See *Fourteenth Report of the Second ARC*, Summary of Recommendations, p.p. 165-171

Districts/Councils in Sixth Schedule Areas should also be covered by the State Finance Commission and the State Election Commission.<sup>19</sup>

This chapter discusses the general introduction about Second Administrative Reforms Commission including structures, members, terms of reference, activities and brief summary of all the fifteen reports.

---

<sup>19</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p.p.284-309

## CHAPTER IV

### SECOND ADMINISTRATIVE REFORMS IN INDIA: RECOMMENDATIONS ON LOCAL SELF GOVERNMENT

The previous chapter discusses the general introduction about the Second Administrative Reforms Commission including structure, members, and terms of reference, activities and brief summary of all the fifteen reports submitted by the Second Administrative Reforms Commission. In this chapter, we will discuss the meaning, nature, scope, dimensions and the working of local self government in India since the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Act. It also includes all important recommendations of the 6<sup>th</sup> and 15<sup>th</sup> Reports of the Second Administrative Reforms Commission and the link between District Administration and the Local Self Government.

Decentralization is needed in order to counteract the evils of a highly centralized type of planning and decision making. Centralised planning cannot adequately take care of all the requirements at different territorial and sectoral levels of the planning process. Therefore planning has to move closer to those levels where better informed decision making would be possible.<sup>1</sup> Local Self Government Institutions are the prime instruments of decentralization at the grassroots level in India.

The system of Local Government is an integral part of the three tier administrative system in India. We have central government at the union level, state government at the provincial level and local self government and local government at the local level.

---

<sup>1</sup> S.S. Singh, Suresh Misra, *Legislative Framework of Panchayati Raj in India*, Intellectual Publishing House, New Delhi. 1993 p.1

## **MEANING OF LOCAL SELF GOVERNMENT**

Local self-government is a body representing the local inhabitants, possessing a large degree of autonomy.<sup>2</sup> According to P.Stones, “Local Government is that part of the government of a country which deals with those matters which concern the people in a particular locality.”<sup>3</sup>

According to B.K. Gokhale, “Local self government is the government of a specified locality by the local people through the representatives elected by them.” G.M. Harris, defining the term Local Self-government states it as a “a government by local bodies, freely elected, while subject to the supremacy of the national government; is endowed in some respect power, discretion and responsibility, which it can exercise without control over its decisions by the higher authority. The extent of power, discretion and responsibility which the local bodies possess is a matter of degree, which varies considerably in the various countries.”<sup>4</sup>

In simple terms Local Self-Government may be defined as the administration of locality where the management of local affairs was done by the people belonging to that locality by electing their representatives through direct election.

## **CHARACTERISTICS OF LOCAL SELF GOVERNMENT**

The main characteristics of Local Self Government are as follows:

---

<sup>2</sup> C.P. bhartwal, kumkum kishore, *Public Administration in India (Current Perspectives)*, A.P.H. Publishing Corporation, New Delhi, 2003 p.199

<sup>3</sup> Manoj Sharma, (2004), *Local Government (Rural and Urban)*, New Delhi: Anmol Publications Pvt. Ltd, 2004 p.1

<sup>4</sup> Manoj Sharma, (2004), *Local Government (Rural and Urban)*, New Delhi: Anmol Publications Pvt. Ltd, 2004 p.2

- **Local Area:** A local self government has a well defined area fixed by the concerned State Government.
- **Local Authority:** The elected representatives who are directly elected by the people of a particular locality run the administration of that particular area.
- **Local Autonomy:** The local self government had the freedom to decide and act in the sphere of activities and functions allotted to them by the statutes under which they are created.
- **Local Finance:** The local bodies are vested with some financial powers to exercise within their prescribed jurisdiction. They collected taxes within their jurisdiction for running their administration. Apart from the taxes, the local institutions have some other sources of income.
- **Local Participation:** The success or failure of developmental plans at the local level depends upon the active participation of local people for whom these plans are made.<sup>5</sup>
- **Local Leadership:** The leadership of a particular local area is provided in the shape of elected representatives regarding to the government policies and programmes.
- **Local Development:** the development of the people living in a particular area is the concern of the local self government and all their activity aims at attaining development in that area.

## **EVOLUTION OF LOCAL SELF GOVERNMENT**

The pre-independence local self-government institutions owe their origin to the British rule and the post-independent institutions are built upon what was created during the British rule. The municipal institutions were the first to be created by the rule of East India

---

<sup>5</sup> Manoj Sharma, (2004), *Local Government (Rural and Urban)*, New Delhi: Anmol Publications Pvt. Ltd, 2004 p.6

Company by the orders of the Court of Directors. The first municipal corporation created in India was that of Madras set up in 1788.<sup>6</sup>

In 1687, for the first time, the East India Company directed the formation of a Corporation for Madras city. The Calcutta Corporation was set up in 1723 and in the Bombay Corporation in 1793. In 1856, two Acts were passed to deal with the conservancy and improvement of the Presidency towns and better assessment and collection of taxes, attempts were made to set up local bodies in the urban areas in 1842, in Bengal.

After 1857 it was thought desirable to decentralize authority and finance as an effective measure to meet the deficit. Public health and similar functions were taken up both by the officials and non officials. The local services were met by local taxation.

The Indian Council's Act, 1861 introduced the system of decentralized legislative powers and the provinces were given the authority to pass the local legislations. This stimulated the growth of local institutions and self government. Many Acts like Town Improvement Act, District Board Cess Act etc, were passed in Chennai, Bengal etc.<sup>7</sup>

With Mayo's Resolution of 1870, real progress was made in many fields of local self-government. The resolution provided for decentralization of finance. Mayo believed in election to the local bodies and referred to the necessity of taking further steps to bring local interest to bear on the management of funds devoted to education, sanitation, public work etc.

---

<sup>6</sup> N.Jayapalan, *Indian Administration*, New Delhi: Atlantic Publishers and Distributors, 2001, p.556

<sup>7</sup> Manoj Sharma, (2004), *Local Government (Rural and Urban)*, New Delhi: Anmol Publications Pvt. Ltd, 2004 p.102



New Municipal Acts were passed for various provinces and powers of the Boards were sufficiently enlarged and extended. The management of the income was freely entrusted to local bodies. Municipalities were also increased in number. However Mayo's scheme was the child of the economic measures and there was no genuine desire either for the development of local self-government or for the association of local people.

With Ripon's Resolution of 1882, local self government got its start. In most of the districts, elected principle was introduced. The powers of the Municipalities of Local Boards were considerably enlarged.<sup>8</sup>

## **LOCAL SELF GOVERNMENT AFTER 73<sup>RD</sup> AND 74<sup>TH</sup> CONSTITUTIONAL AMENDMENT ACTS**

Local self-government is a body representing the local inhabitants, possessing a large degree of autonomy. After Independence several developments have taken place in the field of Local Self Government. Now, Local Self Government in India comprises two broad categories: Rural and Urban, namely, the Panchayati Raj and the Municipal bodies respectively. Both these have been constitutionalised through 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts in 1992.

### **Main Characteristics of 73<sup>rd</sup> Constitutional Amendment Acts:**

The Act proposed to establish Gram Sabha in each village comprising all eligible voters in the village to which the panchayat will be accountable. It established for a three-tier system of Panchayati Raj (except the states whose population is less than 20,00,000), panchayats at the village, intermediate and district level at the top. All these panchayats

---

<sup>8</sup> Manoj Sharma, (2004), *Local Government (Rural and Urban)*, New Delhi: Anmol Publications Pvt. Ltd, 2004 p.103

members will be directly elected by the people. The Members of Lok Sabha/Rajya Sabha (MPs) and Members of Legislative Assembly (MLAs) from the area would continue to be members of these bodies with the right to vote in the meetings of the panchayats but won't have the right to vote in the chairperson election at the intermediate and district level. Under the supervision, for direction and control of the State Election Commission/Commissioner there shall be compulsory periodic elections every five years and if superseded in mid-term, a mid-term election within six months. The Act also provided for the reservation of one-third seats of the total seats in panchayati raj bodies for women. For Scheduled Castes and Scheduled Tribes the reservation of seats will be in proportion to their population in the total population. It has further reserved the offices of the chairpersons in the panchayats for SC and ST in proportion to their population in the states and one-third of such office shall be reserved for women by rotation in different panchayats. Panchayati raj bodies will receive finance from state government in the form of grants which is earned by imposing taxes, tolls and fees on the commodities falling under their purview. The State Governor would appoint a Finance Commission after every five years to review and advise the State Government on the Principles governing distribution of funds to the panchayats. The Panchayati Raj will also prepare plans for economic development, social justice and social welfare and subjects enumerated in the eleventh schedule relating to agriculture, rural housing, drinking water, roads, water-ways, rural electrification, education, health etc.

### **Salient Features of 74<sup>th</sup> Constitutional Amendment Acts**

The 74<sup>th</sup> Constitutional Amendment Act has introduced a new Part IX-A in the Constitution which deals with matters pertaining to the municipalities such as structure and composition of municipalities, their powers and functions, finances, planning at the district and metropolitan levels and some miscellaneous provisions. The salient features of the 74<sup>th</sup>

Constitutional Amendment Acts include Structure of Urban Local Bodies; Determining an Urban Area; Composition of Municipalities; Election of Chairperson; Wards Committee; Reservation of Seats for SC/ST and women; Elections to Municipalities; Disqualification for membership; Dissolution; State Election Commission; Powers and Functions of the Municipalities; Taxes and Finances of Municipalities; Finance Commission; Tenure of Urban Local Bodies; Twelfth Schedule; Fiscal Decentralisation; Provision for State Election Commission; State Finance Commission; Provision for District Planning Committee; Metropolitan Committee.

## **SECOND ADMINISTRATIVE REFORMS COMMISSION: RECOMMENDATIONS ON LOCAL SELF GOVERNMENT**

The summary of the Second Administrative Reforms Commission, Sixth Report on Local Governance and Fifteenth Report on State and District Administration were:

### **Sixth Report: Local Governance**

The Second Administrative Reforms Commission in its Sixth Report on Local Governance, has examined in detail the issues relating to rural and urban local governance in India with a special focus on the need for real democratic decentralisation in the country in order to usher in genuine grass roots democracy as envisaged by the founding fathers of our republic and as now specifically mandated by our Constitution. The report in Para 3.1.1.12 on 'The Principle of Subsidiarity' states that Article 243 G should be amended as Subject to the provisions of the Constitution, the Legislature of a State shall, by law, vest a Panchayat at the

appropriate level having necessary powers and authority to enable them to function as institutions of self government in respect of all functions which can be performed at the local level which include matters listed in the Eleventh Schedule. It also states that for empowering urban local bodies, Article 243 W should be amended. In Para 3.1.2.4 on Strengthening the Voice of Local Bodies the Commission recommended that Parliament may by law provide for the establishment of a Legislative Council in each State, which should consist of elected members by the local governments. In Para 3.1.3.11 on Structure of Local Bodies the Commission states the amendment of Article 243B that in every state, Panchayats should be constituted at appropriate levels. Regarding the reservation of seats Article 243 D must be retained in the current form for ensuring adequate representation to the under-privileged sections and women. It also states that the members of Parliament and State Legislatures should not become members of local bodies. It also includes the retainment of Article 243 C(1). Under this Para the Constitution provided that Article 243 C (2 & 3) should be repealed and supplanted by Article 243 C(2) that Subject to the provisions of this part, the Legislature of a State may, by law, make provisions with respect to composition of Panchayats and the manner of elections provided that in any tier there shall be direct election of at least one of the two offices of Chairperson or members. It also provided that in case of direct elections of members in any tier, the ratio between the population of the territorial area of a Panchayat at any level and the number of seats in such Panchayat to be filled by election shall, so far as practicable, be the same throughout the State. Also, each Panchayat area shall be divided into territorial constituencies in such manner that the ratio between the population of each constituency and the number of seats allotted to it shall, so far as practicable, be the same throughout the Panchayat area.<sup>9</sup> It also recommended that in every district there shall be

---

<sup>9</sup> See *Sixth Report of the Second ARC*, Summary of Recommendations, p.312

constituted a District Council having representation from both urban and rural areas in the District.

In Para 3.2.1.12 on 'The Electoral Process,' the Commission recommended that the task of delimitation and reservation of constituencies should be entrusted to the State Election Commissions (SECs), and the Local government laws in all States should provide for adoption of the Assembly electoral rolls for local governments without any revision of names by SECs. The voter registration and preparation of electoral rolls by Election Commission of India should be necessarily based on geographic contiguity to make the process more effective. Similarly, the electoral divisions for elections to local bodies should follow the Building Blocks approach. The Registration of Electors Rules, 1960, should be amended to define a 'Part' as a compact geographical unit. In order to achieve convergence between census data and electoral rolls, the boundaries of a 'Part' and an 'Enumeration Block' should coincide. Reservation of seats should follow either one of the two principles:

- In case of single-member constituencies, the rotation can be after at least 2 terms of 5 years each so that there is chance of longevity of leadership and development of constituencies.
- Instead of single-member constituencies, elections can be held to multi-member constituencies by the List System, ensuring the reservation of seats. This will prevent the need for rotation and thus guaranteeing allocation of seats for the reserved categories.

This Para also states that the State Election Commission should be entrusted to conduct elections for the elected members of District and Metropolitan Planning Committees. In Para 3.2.2.6 on 'Constitution of the State Election Commission' it is mentioned that the State Election Commissioner should be appointed by the Governor on the recommendation of

a collegium, comprising the Chief Minister, the Speaker of the State Legislative Assembly and the Leader of Opposition in the Legislative Assembly. An institutional mechanism should be created to bring the Election Commission of India and the SECs on a common platform for coordination, learning from each other's experiences and sharing of resources.

In Para 3.2.3.4 on Correcting the Urban Rural Imbalance in Rerepresentation in Legislative Bodies it is stated that, in order to set right the electoral imbalance between the urban and rural population in view of rapid urbanisation, the amendment of Article 81,82,170,330 and 332 of the Constitution would be necessary, also after each census, an adjustment of the territorial constituencies - both for the Lok Sabha and the Legislative Assembly – within a State should be carried out.

The Commission's in its Sixth Report in Para 3.3.1.7 on Devolution of Powers and Responsibilities also recommended that there should be clear delineation of functions for each level of local government in the case of each subject matter law which should not be a one-time exercise and has to be done constantly while working out locally relevant socio-economic programmes, restructuring organisations and framing subject-matter laws. Each subject-matter law, which has functional elements that are best attended to at local levels, should have provision for appropriate devolution to such levels – either in the law or in subordinate legislation.<sup>10</sup> It also states for the urgent needs of reviewing and amendment of all the relevant Union and State laws.

In Para 3.4.20 on Framework Law for Local Bodies the Commission sates that, Government of India should draft and place a Framework Law for local governments before

---

<sup>10</sup> See *Sixth Report of the Second ARC*, Summary of Recommendations, p.315

Parliament. The Framework Law could be enacted for the States to adopt under Article 252 of the Constitution on the lines of the South African Act. This Law should lay down the broad principles of devolution of powers, responsibilities and functions to the local governments and communities, based on Principle of Subsidiarity, Democratic Decentralisation, Delineation of Functions, Devolution in Real Terms, Convergence and Citizen Centricity.

In Para 3.5.2.18 on The State Finance Commission (SFC), The Commission endorse and reiterate the view of the Twelfth Finance Commission regarding the working of the SFCs as listed in paragraph 3.5.2.8. It states that Article 243 I (1) of the Constitution should be amended to include the phrase “at such earlier time” after the words “every fifth year”. It also recommended that each State should prescribe through an Act, the qualifications of persons eligible to be appointed as Members of the State Finance Commission. SFCs should also evolve objective and transparent norms for transfer and distribution of funds. The norms should include area-wise index for backwardness. State Finance Commissions should link the devolution of funds to the level/quality of civic amenities that the citizens could expect. This could then form the basis of an impact evaluation. The Action Taken Report on the recommendations of the SFC must compulsorily be placed in the concerned State Legislature within six months of submission and followed with an annual statement on the devolution made and grants given to individual local bodies and the implementation of other recommendations through an appendix to the State budget documents. Incentives can be built into devolution from the Union to the States to take care of the need to improve devolution from the States to the third tier of governments. It also recommended the adoption of Common formats, as recommended by the Twelfth Finance Commission (TFC) and the annual accounts and other data must be compiled and updated for use by the SFCs.

In Para 3.6.16 on Capacity Building for Self Governance, the Commission states that whether elected or appointed, Capacity building efforts in rural and urban local self governing institutions must attend to both the organisation building requirements as also the professional and skills upgrade of individuals associated with these bodies. Relevant Panchayat and Municipal legislations and manuals framed there under must contain clear enabling provisions in this respect. A special capacity building programmes for women members should be there. Local bodies should be encouraged by the State Governments should to outsource specific functions to public or private agencies, as may be suitable, through enabling guidelines and support. Outsourcing of activities should be backed by development of in-house capacity for monitoring and oversight of outsourced activities. Likewise, transparent and fair procurement procedures need to be put in place by the State Government to improve fiscal discipline and probity in the local bodies. As an aid to capacity building, suitable schemes need to be drawn up under State Plans for Rural and Urban Development for documentations of case studies, best practices and evaluation with reference to the performance of the prescribed duties and responsibilities of such bodies. Continuous Training of elected representatives and personnel should be their activity. The training expenditure requirement may be taken into account by the State Finance Commissions while making recommendations.

In Para 3.7.5.6 on Decentralised Planning, the Commission recommended for the constitution of District Council in all districts which is represented from both rural and urban areas respectively and it should be empowered in accordance with Articles 243 G and 243 W of the Constitution to exercise the powers and functions effectively. Also it recommended for the setting up of dedicated centre in every district to provide inputs to the local bodies for



preparations of plans. It may also ensure a two-way flow of information between different levels of government.

In Para 3.8.6 on Accountability and Transparency, the Commission recommended the constitution of Audit committees at the District Level by the State Governments to exercise oversight regarding the integrity of financial information, adequacy of internal controls, compliance with the applicable laws and ethical conduct of all persons involved in local bodies. A separate Standing Committee which may function in the manner of Public Accounts Committee of the State Legislature for the local bodies should be constituted.

In Para 3.10.1.2 on Information and Communication Technology, the Commission recommend for the utilisation of Information and Communication Technology by the local governments in process simplification, enhancing transparency and accountability and providing delivery of services through single window. Para 3.10.2.8 on Space Technology includes for creating an information base and to provide services Space technology should be harnessed. Regarding the Size of the Gram Panchayat in Para 4.1.3.5 the Commission recommended that as far as possible the States should ensure that Gram Panchayats should be of an appropriate size which would make them feasible units of self-governance and also enable effective popular participation.

In Para 5.4.3.5.3 on Solid Waste Management and Scavenging, the Commission recommended that in all towns and cities with a population above one lakh, the exploration of taking up of the public private partnership projects for collection and disposal of garbage is possible which should be preceded by development of capacity of the municipal bodies to

manage such contracts. It also provides that special solid waste management charges should be levied on units generating high amount of solid waste.

In Para 5.4.3.6.4 on Power Utilities and Municipal Bodies, the Commission recommended that encouragement of Municipal bodies is necessary to take responsibility of power distribution in their areas, which should be done only after building adequate capacity in these organisations. The distribution networks of power and other utilities layout plans should be coordinated by the Municipal bodies.

### **Fifteenth Report: State and District Administration**

The Second Administrative Reforms Commission in Its Fifteenth Report on State and District Administration has includes in Para 2.3.2.12 on Size of the Council of Ministers, the Commission recommended that there is a need to reduce the size of the Council of Ministers in the States further considering the needs of an efficient government and that the maximum size of the Council of Ministers may be fixed in a range between 10% to 15% of the strength of their Legislative Assemblies. In the larger States (where membership of the Assembly is more than 200) such maximum percentage should be 10% where as in the medium (where the strength of the Assembly is between 80 and 200) and the smaller States (where the strength of the Assembly is below 80) it may be 12% and 15% respectively. It may also be ensured that the maximum number of Ministers permissible for the medium sized States should not exceed the number prescribed for a large sized State having 200 legislators and similarly, the maximum number of Ministers permissible for the smaller States should not exceed the number prescribed for a medium sized State having 80 Legislators. There may not be any

minimum prescription. Also there is need to arrive at a national consensus on this issue through deliberations/discussions with the States at the Inter-State Council.<sup>11</sup>

In Para 2.3.3.11 on Rationalising the Number of Secretarial Departments, the Commission recommended that the number of Secretariat Departments in the States should be further rationalized as the existing departments covering inter-related subjects, activities and functions should be merged; Need for synergy between the activities of various departments; Devolution of a large number of functions to the PRIs/ULBs; The role of Secretaries to be redefined; to be divested of non-essential responsibilities and executive work and larger delegation of power to the executive departments/agencies; and Need for streamlining the decision making process.

In Para 2.3.5.5 on Executive Agencies the Commission recommended that The State Governments should scrutinize the functions and activities of each department to confirm whether these activities and functions are critical to the mission of the department and can only be carried out by government agencies. It also states that only those functions and activities that have to be carried out by the government based on the principle enunciated in paragraph 2.3.4.6 should be carried out directly by the departments. Other functions and activities should be carried out by Executive Agencies of the department.<sup>12</sup>

In Para 2.4.1.4 on Civil Services Law, the Commission reiterates that the recommendations in its Tenth Report pertaining to the Civil Services Law and Civil Services Authority should be implemented by the State Governments both in letter and spirit. In order to provide appropriate legislative backing to these reforms, each State Government should

---

<sup>11</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p.284

<sup>12</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p.285

enact a Civil Services Law for all the personnel holding civil posts in the State (on the lines of the proposed Union Law). However, in order to evolve a national consensus and ensure a measure of uniformity among States, the matter may be taken up for deliberations at the Inter-State Council.<sup>13</sup>

In Para 2.4.2.6 on Appointment and Security of Tenure at the Senior Levels in the State Government, the Commission states that after enactment of the State Civil Services Law on the lines of the proposed Union enactment, the proposed State Civil Service Authority should deal with matters concerning appointment and tenure of senior officers of all ranks in the State Governments which will include the Chief Secretary, Principal Secretaries, Engineer-in-Chiefs, other Agency Heads and Principal Chief Conservator of Forests.

In Para 2.4.3.9 on Regional Level Administration, the Commission recommended that in view of the emergence of District as the key unit of field administration - as the third tier of government - and with rapid advancement in physical and electronic connectivity between the State Headquarters and the Districts, there is no need to have an intermediate level of administration between the two units of government. In order to take care of cadre management issues arising out of this step, suitable posts should be identified by respective departments, in the major districts and at the Headquarters to be manned by senior officers who are presently eligible to head the regional offices.<sup>14</sup>

In Para 2.4.5.2 on Vigilance Commission/Vigilance Commissioner in the State, the recommendations made by the Commission in its Fourth Report (on Ethics in Governance)

---

<sup>13</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p.286

<sup>14</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p.287

and its Sixth Report (on Local Governance) for action by State Governments should be implemented expeditiously. The organization of the Vigilance Commission/ Commissioner in the State should be structured on the patterns of the Central Vigilance Commission. In larger States, the State Vigilance Commission should be a three Member Body with Members who have been experts in their respective fields. In smaller States, it may continue to be a single member Body.

In Para 2.5.8 on State Public Service Commissions, the Commission recommended that various steps should be taken to ensure that persons of high standing, intellectual ability and reputation are selected as Chairman or Members of the State Public Service Commissions. A limit should also be imposed on the strength of its membership.

In Para 3.2.4.16.5 on Modernising the Office of the District Collector, the Commission reiterates its recommendations on the issues of personnel management, performance and outcome evaluation, effective citizen centric administration, use of information technology, process re-engineering etc. made in its earlier Reports on “Refurbishing of Personnel Administration”, “Ethics in Governance”, “Citizen Centric Administration”, “Public Order”, “Disaster Management”, “Conflict Resolution” and “e-Governance”. These recommendations should be expeditiously implemented where applicable to the district administration.<sup>15</sup>

In Para 3.3.1.14 on District Administration; Functional and Structural Reforms, the Commission recommended that there should be an integrated governing structure at the district level in the form of the “District Council” with representation from both urban and

---

<sup>15</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p.289

rural areas. The Council will act as the “District Government”. The District Collector should have a dual role in this government structure. He should work as the Chief Officer of the District Council and should be fully accountable to the District Council on all local matters. The District Officer would also be fully accountable to the State Government on all regulatory/other matters not delegated to the District Government.

In Para 4.2.6.16 on Role of the Government of NCT in Municipal Affairs - its Relationship with the Municipal Corporation of Delhi (MCD), the Commission recommended that in the Municipal Corporation of Delhi (MCD), including appointment of the Commissioner and other functionaries should lie in the domain of the Government of the National Capital Territory (GNCT). This can be done by way of a notification under Section 490A of the Act, issued by the Union Government. However, the appointment of the Commissioner should be made by the GNCT in consultation with the Union Government.

In Para 4.2.6.17.7 on ‘Empowerment of the Mayor’ the Commission states that the Mayor of the MCD should be directly elected by popular mandate through a city-wide election with a term of five years. The functions of chairing the Corporation and exercising executive authority should vest in the same functionary i.e. the Mayor. The Mayor should be the Chief Executive Authority of the MCD. The Mayor should appoint a ‘Cabinet’; choosing the members from amongst the elected corporators. The strength of this body should not exceed 10 per cent of the number of the elected Corporators or fifteen, whichever is higher. The “Cabinet” should exercise executive authority on matters entrusted to it by the Mayor, under his/her overall control and direction.<sup>16</sup>

---

<sup>16</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p.292

In Para 4.2.13.9 on National Capital Region Planning Board, The NCR Planning Board should remain a planning, monitoring and advisory body in charge of preparing the Master Plan for the NCR Region consisting of both regional and sub-regional Plans. It should have adequate financial resources at its disposal so that it could selectively provide financial assistance to a few schemes of importance. The composition of the 21 member NCR Planning Board should be modified and only 6 Union Ministers and 3 Chief Ministers (Uttar Pradesh, Haryana and Rajasthan) may be members of the Board.

In Para 5.3.6 on North Eastern Region: Ethnic Conflicts - in Places, Manifesting as Territorial Conflicts and Violence (Problem of Insurgency and Law and Order), in order to address the genuine and legitimate concerns of the local people, there is need to continue political dialogue among various stakeholders. Steps should be taken to upgrade the capacity and capability of the police forces of the States so that they are able to uphold the law. In order to control cross border movement of insurgents, in addition to other measures, diplomatic efforts should be stepped up. The North-East Division of the Ministry of Home Affairs should be upgraded to a separate wing and put under the charge of an Additional/Special Secretary to handle the increased and complex workload pertaining to the region. To oversee the formulation and implementation of the plans for this region, a Standing Committee of the National Development Council should be constituted and may be headed by a Cabinet Minister. The Committee should report to the Chairman, NDC twice a year to ensure both speedy resolution of any differences and coordinated action regarding development of the region.<sup>17</sup>

---

<sup>17</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p.298

In Para 5.4.8 on Provisions of the Sixth Schedule of Constitutions with Respect to Assam, Meghalaya, Tripura and Mizoram, The Government may undertake an exercise to incorporate provisions which currently occur as footnotes, in the main text of the Sixth Schedule. This will make the Schedule more accessible to members of the public. In Para 5.5.5 on Adhoc Transfer of Subjects/Activities to Autonomous Councils, the power of the Councils to make laws, as permitted by the Schedule, should be respected in its true spirit and draft legislations should not be stalled at the State level for years, while ensuring that they are not inconsistent with the provisions of the Constitution and relevant Union and State Laws. The States should undertake comprehensive activity mapping with regard to all the subjects mentioned in Para 3, 3A and 3B of the Sixth Schedule. This mapping should cover all aspects of the subjects viz planning, budgeting and provisioning of finances. This will necessitate full transfer of all government offices and institutions dealing with these activities to the control of the Councils. The State Government should set-up a Task Force to complete this work in a time span of one year. The Union Government should also take similar action with regard to Centrally Sponsored Schemes being implemented in these areas.<sup>18</sup>

In Para 5.6.6 on Predominance of non-elected Customary Heads/Bodies at the Village Level; Issue of Village Self Governance in the Sixth Schedule Areas, Autonomous Councils should be encouraged to pass suitable legislation for establishment of elected bodies at the village level with well defined powers and a transparent system of allocation of resources.<sup>19</sup>

In Para 5.7.3 on Absence of Linkage between the Sixth Schedule and the 73<sup>rd</sup> Amendment, the Commission recommended that Autonomous Districts/Councils in Sixth

---

<sup>18</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p.299

<sup>19</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p.300



Schedule Areas should also be covered by the State Finance Commission and the State Election Commission.

In Para 5.8.6 on Special Powers of the Governors of Assam, Meghalaya, Tripura and Mizoram with respect to Schedule 6 Areas

a) The Governors of Assam, Tripura and Mizoram should be empowered to exercise discretionary powers in respect of all the provisions pertaining to the Autonomous Councils under the Sixth Schedule in consultation with the Council of Ministers and if necessary, in consultation with these Councils. A Constitutional amendment will be required for this purpose.

b) Paragraph 14 of the Sixth Schedule should be suitably amended to enable the Union Government to appoint a common Commission to review the working of all autonomous districts of the North-East and to make recommendations as envisaged therein. A periodicity may also be provided for the Commission.

c) A high-level Review Committee headed by the Governor and consisting of representatives of both the State Government and the District Councils should be formed in each State to review the functioning of these bodies. This Committee should submit its report to the Union Government.

In Para 5.11.5 on Issue of Tribal Areas Lying outside the Sixth Schedule, the Commission recommended that for tribal areas which lie outside the Sixth Schedule as well as the Seventy Third Constitutional Amendment the State Government should take steps to create specially at the district level bodies which should consist of both elected as well as traditionally selected representatives. The States which show initiative and take a lead in this

matter should be given incentives. The District Rural Development Authority of the district should work as a body accountable to this District Level Body.<sup>20</sup>

In Para 5.12.6 on Personnel Management and Capacity Building of Administration, The North Eastern Council, in consultation with the Universities and other educational institutions of the region, they should draw up programmes for coaching students for the Civil Services, and other competitive tests such as the Combined Defence Services Examination and the Engineering and Medical Examinations. In Para 5.13.2 on Issues of Recruitment in the Sixth Schedule Areas immediate steps should be taken to constitute District cadres for all Groups 'C' and 'D' posts (Classes III and IV) for performance of all 'transferred functions' wherever such action has not been taken. Recruitment to Groups 'A' and 'B' posts (Classes I and II) by the Autonomous District Councils or analogous bodies particularly to positions requiring technical/professional qualifications should ordinarily be left to the State level. State Governments and the Autonomous District Councils should jointly draw up norms for arriving at the number of technical and professional posts required in the tribal areas. Personnel for such posts should be made available on priority basis.<sup>21</sup>

In Para 5.14.4 on Regional Institutes, the commission recommended that for improving delivery systems and development processes, emphasis must be given to capacity building of personnel and it should be a priority activity of the government. There should also be comprehensive training programmes for all government employees working in the North-Eastern States.<sup>22</sup>

---

<sup>20</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p.301

<sup>21</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p. 301

<sup>22</sup> See *Fifteenth Report of the Second ARC*, Summary of Recommendations, p.302

In Para 6.5.8.3 on Projectisation and Appraisal, the Commission states that the States should take steps for strengthening their project formulation and appraisal capacity, in order to distribute public funds prudentially, with inbuilt financial block.

This chapter discusses the meaning, nature, scope, dimensions, and the working of local self government in India since the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Act. It also includes all important recommendations of the 6<sup>th</sup> and 15<sup>th</sup> Reports of the Second Administrative Reforms Commission and the link between District Administration and local self government.

## **CHAPTER V**

### **CONCLUSION**

The final chapter is divided into two parts. The first part contains brief summary of the entire previous chapter. The second part of the chapter contains the findings and suggestions for the improvement of the workings of local self government according to the recommendations of the Second Administrative Reforms Commission, with which the research is concluded.

#### **PART I**

The dissertation has been divided into five chapters. The first chapter introduces the present study in brief. It starts with the reasons for the topic being chosen for study. it analyses the aims and objectives of the study. The main objectives of the present study include the study the Administrative Reforms in India, the study of the Second Administrative Reforms Commission in India and its major recommendations, the examination of the recommendations of the Second Administrative Reforms Commission on local self government. It is also the aim of the study to suggest ways and means to improve the working of local self government according to the recommendations of the Second Administrative Reforms Commission.

The second chapter deals with the elements and other important issues regarding Administrative Reforms in general. It also includes the various reports submitted to the Government of India for Administrative Reforms from 1947 till the Second Administrative Reforms Commission.

The third chapter deals with the general introduction about the Second Administrative Reforms Commission including structure, members, terms of reference and activities. This chapter contains brief summary of all the fifteen reports submitted by the Second Administrative Reforms Commission.

The fourth chapter discusses the meaning, nature, scope and dimensions of local self government. The chapter briefly describes the working of local self government in India since the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Act. It also discusses all important recommendations of the 6<sup>th</sup> and 15<sup>th</sup> Reports submitted by the Second Administrative Reforms Commission and the link between District Administration and local self government.

The final chapter is the Conclusion. It is divided into two parts. The first part consists of the summary of all the previous chapters. The second part of the chapter contains the findings and suggestions for the improvement of the workings of local self government, with which the research is concluded.

## PART II

Democratic governance and citizen sovereignty are the basis of the Indian Constitution. Only when most of the decisions were taken from the people's side then the citizens get the benefits of good governance. Such a people-centered governance process enhances participation and authenticity of our political system as well as ensures greater effectiveness in delivery of services and accountability in governance. Only when the link between the vote and public good is firmly established in the citizens' mind then a Democracy could grow up. People will agree to pay taxes only when the tax money is used for better services in the locality in a way that the tax-payer recognizes the value of the public money is use. The Citizens will be let down with our democratic process and will continue to preside over a dysfunctional system of alibis, unless the authority at each level matches the responsibility. The Sixth Report of the Second Administrative Reforms Commission's recommendations is based on this clear and specific logic of democracy, legitimacy and efficacy.

Local self-government is a body representing the local inhabitants, possessing a large degree of autonomy. After Independence several developments have taken place in the field of Local Self Government. Now, local self government in India comprises two broad categories: Rural and Urban, namely, the Panchayati Raj and the Municipal bodies respectively. Both these have been constitutionalised through 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts in 1992.

Ever since their inception, the basic functions of local governments aimed at improving the quality of life of citizens by providing them civic amenities. They are ideally suited to provide services like water supply, solid waste management, sanitation etc, as they are closer to the people and they are in a better position to appreciate their concerns. Economic principles state that such services are best provided at the level of government closest to the people.

For strengthening the voice of the local bodies, the Second Administrative Reforms Commission recommended that the Parliament may constitute a Legislative Council in each State consisting of members elected by the local self governments. Regarding the structure of Local Bodies, the ARC recommended that the members of parliament and state legislature should not become the members of the local bodies. The reservation of seats must be retained according to the Constitutional provisions (Article 243D) in the current form to ensure adequate representation to the under-privileged sections and women.

Local Self Government should ensure continuity and accountability. It is recommended that the local self government should utilize the Information and Communication Technology which will result in process simplification; enhancement of transparency; and accountability while providing delivery of services through single window.

Transformation in the role of the states vis-à-vis the local self government institutions is needed to strengthen the functioning of Local Self Government. Giving up power is never easy. There is a natural tendency for the State Government to hold on to their

turf and resist empowerment of local self government institutions as they have come into their own over the decades. The states should therefore be enabled to discover a new and dynamic role, so that local self government institutions become stronger and more vibrant.

The Second Administrative Reforms Commission has attempted to balance all these considerations while making its recommendations. The process of democratic transformation is based on continuity and change. It is hoped that in the coming year, Indian democracy will mature to a point where most decisions affecting citizens' lives will be taken at the grass root level in stakeholders' groups and local self government institutions. Citizens will have a direct and effective role in managing the affairs of the collective, service delivery and day-to-day governance will be effective, fair and transparent.<sup>1</sup>

Regarding the State and District Administration, The Second Administrative Reforms Commission in its fifteenth Report, has examined a whole range of administrative issues pertaining to State Governments. The organization of the Union Government has also been examined and the recommendations of the Commission in respect of the Union Government apply, changing those things which need to be changed, to the State Governments as well. Stated in brief, both the Union Government and the State Government need to be more compact than they are at present, also they need to entrust more responsibilities, powers and resources to strengthen the structures of transparency and accountability of the local self government. District Administration is developing in response to the establishment of the third tier of governance by the 73rd and 74th Amendment Acts of the Constitution. The Commission has envisaged a double role for the existing set-up. At

---

<sup>1</sup> See *Sixth Report of the Second ARC*, Conclusion, p.310-311



first, it will provide the Secretariat for the proposed District Council, and be responsible to the Council. Secondly, in respect of powers conferred on it by different statutes or those delegated by the State Government, it will be responsible to the State Government.

Each of the Union Territories has its unique history, and a unique set of problems. The Commission's recommendations in its Fifteenth Report on State and District Administration, in respect of Union Territories have been guided by the principle that decision making should be done closest to those who are affected by the decisions. It suggest for substantial devolution and delegation of powers. So far as the North East is concerned the Commission's recommendations focus on improving and strengthening the administrative structure, processes, security set-up and personnel management in the North East region. State specific suggestions have also been made in the fifteenth Report of the Second Administrative Reforms Commission. The Union and State Governments in this region will need to work narrowly in this regard. The Commission has made detailed and considered recommendations and believes that the States will make sincere efforts to derive maximum benefits from them. They had covered a wide range of issues which concerned both the Secretariat and the field formations of the State government. When implemented, these measures would secure responsiveness in public services and add substantially to public satisfaction.<sup>2</sup>

While trying to get the answer for the question for, 'Why there is a need for Administrative Reforms'?, we found that Administrative Reforms is a continuous process

---

<sup>2</sup> See *Fifteenth Report of the Second ARC*, Conclusion, P. 283

without any timeline or time limit. It is intricately associated with the process of administration.

So far as the second question is concerned i.e, ‘What are the steps taken by the Government of India for Administrative Reforms’?, we found out that from 1947 to 2005, there have been a large number of Committees and Commissions dealing with different aspects of Administrative Reforms in India. In particular, the First Administrative Reforms Commission and the Second Administrative Reforms Commission have gone into various aspects of Administrative Reforms and have suggested different remedial measures to improve the efficiency and effectiveness of administration at different levels in India.

The next question was ‘What are the significant features and recommendations of the Second Administrative Reforms Commission’? we found out that the Second Administrative Reforms Commission has submitted a total of fifteen (15) Reports to the Government of India on different aspects of administration. In Chapter III of the present dissertation we have presented the brief summaries of all the reports of the Second Administrative Reforms Commission.

So far as the last question is concerned i.e., ‘What lessons are to be learnt from the recommendations of the Second Administrative Reforms Commission to improve administration in local self government’? we have analyzed the recommendations of the Second Administrative Reforms Commission in relation to local self government and district

administration as well as the link between the two in the context of qualitative improvement of administration at the grassroots level.

While discussing the issues of Administrative Reform in India in general and in Mizoram in particular, with some of the government officials, we have found that as on today very little follow-up work has been taken up and informally it was informed to us that this process might take longer time. Another aspect which needs a special mention here is that Mizoram has a peculiar mixture of traditional and modern local self government systems which makes it still more complicated and complex. Any reform in this field would naturally take a considerable time span.

# BIBLIOGRAPHY

## 1. BOOKS

Arora, Ramesh K. Ed., (1999), *Indian Administration (Perceptions and Perspectives)*, Jaipur: Aalekh Publishers

Arora, Ramesh K. Goyal, Rajni., (2007), *Indian Public Administration*, New Delhi: Wishwa Prakashan

Avasthi & Avasthi., (2008), *Indian Administration*, Agra: Lakshmi Narain Agarwal

Ahmad, Naseem., (2005), *Indian Public Administration*, New Delhi: Anmol Publications Pvt. Ltd

Bharwal, C.P., Kishore, Kumkum., (2003) *Public Administration in India (Current Perspectives)*, New Delhi: A.P.H. Publishing Corporation

Bhatnagar, P.S. Ed., (2003), *Indian Administration (Issues and Options)*, Jaipur: Mangal Deep Publications

Goel, S.L., (2008), *Advanced Public Administration*, New Delhi: Deep and Deep Publications Pvt. Ltd

Jayapalan, N., (2001), *Indian Administration*, New Delhi: Atlantic Publishers and Distributors

Maheshwari, Shriram., (1987), *Administrative Reforms in India*, Delhi: Macmillan India Limited

Maheshwari, S.R., (2000), *State Governemnt in India*, Delhi: Macmillan India Limited.

Maheshwari, S.R., (1994), *Indian Administrative System*, New Delhi: Jawahar Publishers and Distributors

Nandita. (2004), *Administrative Reforms (Initiatives and Impact)*, Jaipur: Aalekh Publishers

Pattanayak, (1994), *Local Government Administration Reform*, New Delhi: Anmol Publications Pvt. Ltd

Raj, H., (1989), *Principles of Public Administration*, New Delhi: Surjeet Publications

Sahni, Pradeep. Dhameja, Alka. Medury, Uma. Vayunandan, E. Ed., (1999), *Public Administration (Emerging Perspectives)*, New Delhi: Gyan Publishing House

Singh, S.K., (1992), *Role of Panchayati Raj in India*, New Delhi: Radha Publications

Sharma, Manoj., (2004), *Local Government (Rural and Urban)*, New Delhi: Anmol Publications Pvt. Ltd

Sharma, R.D., (1990) *District Administration in India (Problems and Prospects)*, Delhi: H.K. Publishers and Distributors

Sharma, M. (2003), *Indian Administration*, New Delhi: Anmol Publications

Sharma, Urmila. Sharma, S.K. (2002), *Public Administration*, New Delhi: Atlantic Publishers and Distributors

Singh, S.S., Misra, Suresh., (1993), *Legislative Framework of Panchayati Raj in India*, New Delhi: Intellectual Publishing House

Singh, Hoshiar. Singh, Mohinder. (1989), *Public Administration in India*, New Delhi: Sterling Publishers

Singh, Shiv Raj. Gill, P.P.S. Chauhan, S.S. Mahajan, Sanjeev K. Ed., (2003), *Public Administration in the New Millennium (Challenges and Prospects)*, New Delhi: Anamika Publishers and Distributors

## 2. ARTICLES

Ahmed, Nizam., 'Administrative Reform and Upazila Government in Bangladesh,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. XXXIV, No. 2, April-June 1988: p.p.294-311

Butani, K. N., 'Implementing Administrative Innovations and Reforms', *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. XII, No. 3, July-September 1966. p.p. 612-617

Goel, S.L., 'Right to Information and Administrative Reforms,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LIII, No. 3, July-September 2007 p.p. 548-557

Gehlot, N.S., 'Significance of Verrappa Moily Panel Proposals,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LIII, No. 3, July-September 2007 p.p. 466-475

Hooja, Rakesh., 'Reforms at State Level and Below: Some Views,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LIII, No. 3, July-September 2007 p.p. 409-425

Jagannadhan, V., 'Sociological Aspect of Administrative Reforms,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. XII, No. 3, July-September 1966. p. 673-685

Mathur, B.P., 'Second Administrative Reforms Commission on Personnel Administration- Needs to implement Recommendation,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LVI, No. 1, January-March 2010 pp-37-5

Moily, M. Verrapa., 'Administrative Reforms in India,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LIII, No. 3, July-September 2007 p. 337-345.

Narain, Iqbal., 'The Administrative Challenge to Panchayati Raj,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. XII, No. 3, July-September 1966. p.p. 564-578

Palanithurai, G., 'Needed Reforms at Grassroots,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LIII, No. 3, July-September 2007 p.p. 496-515

Ratnam, S., 'Reforms in Audit and Accounts,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. XII, No. 3, July-September 1966. p.p. 517-519

Rao, V. Bhaskara., Rao, P. Narasimha., 'Civil Service Reforms in India,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LIII, No. 3, July-September 2007 p.p. 486-495

Roy, Jaytilak Guha., 'Second Administrative Reforms Commission on Right to Information: A Critical Review,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LIII, No. 3, July-September 2007 p.p. 558-570

Singh, Deepali, Ansari, Nafees A. and Singh, Shaifali., 'Administrative Reforms in India: An Overview,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LIII, No. 3, July-September 2007 p.p. 476-485

Singh, Sujata., 'Civil Service Reforms: Issues before the Second Administrative Reforms Commission,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LIII, No. 3, July-September 2007 p.p. 571-585

Singh, Shiv Raj., 'Reforms for empowerment of Panchayati Raj Bodies,' *Indian Journal of Public Administration*, New Delhi: IIPA, Vol. LIII, No. 3, July-September 2007 p.p. 516-521

### 3. INTERNET SOURCES

<http://arc.gov.in/rtifinalreport.pdf> (Accessed on 15/10/2012 at 8:45PM)

<http://arc.gov.in/2ndrep.pdf> (Accessed on 15/10/2012 at 9:00PM)

<http://arc.gov.in/3rdreport.pdf> (Accessed on 15/10/2012 at 9:00PM)

<http://arc.gov.in/4threport.pdf> (Accessed on 15/10/2012 at 9:04PM)

<http://arc.gov.in/5th%20REPORT.pdf> (Accessed on 15/10/2012 at 9:08PM)

<http://arc.gov.in/6-1.pdf> (Accessed on 15/10/2012 at 9:09PM)

<http://arc.gov.in/6-2.pdf> (Accessed on 15/10/2012 at 10:20PM)

<http://arc.gov.in/6-3.pdf> (Accessed on 15/10/2012 at 10:45PM)

[http://darpg.nic.in/darpgwebsite\\_cms/Document/file/capacity\\_building7.pdf](http://darpg.nic.in/darpgwebsite_cms/Document/file/capacity_building7.pdf)

(Accessed on 12/11/2012 at 10:00PM)



[http://darpg.nic.in/darpgwebsite\\_cms/Document/file/combating\\_terrorism8.pdf](http://darpg.nic.in/darpgwebsite_cms/Document/file/combating_terrorism8.pdf)

(Accessed on 12/10/2012 at 10:00PM)

[http://darpg.nic.in/darpgwebsite\\_cms/Document/file/Social\\_Capital9.pdf](http://darpg.nic.in/darpgwebsite_cms/Document/file/Social_Capital9.pdf)

(Accessed on 12/10/2012 at 10:00PM)

[http://darpg.nic.in/darpgwebsite\\_cms/Document/file/personnel\\_administration10.pdf](http://darpg.nic.in/darpgwebsite_cms/Document/file/personnel_administration10.pdf)

(Accessed on 12/10/2012 at 10:00PM)

[http://darpg.nic.in/darpgwebsite\\_cms/Document/file/promoting\\_egov11.pdf](http://darpg.nic.in/darpgwebsite_cms/Document/file/promoting_egov11.pdf)

(Accessed on 12/10/2012 at 10:00PM)

[http://darpg.nic.in/darpgwebsite\\_cms/Document/file/ccadmin12.pdf](http://darpg.nic.in/darpgwebsite_cms/Document/file/ccadmin12.pdf)

(Accessed on 12/10/2012 at 10:00PM)

[http://darpg.nic.in/darpgwebsite\\_cms/Document/file/org\\_structure\\_gov13.pdf](http://darpg.nic.in/darpgwebsite_cms/Document/file/org_structure_gov13.pdf)

(Accessed on 12/10/2012 at 10:00PM)

<http://arc.gov.in/14threport.pdf> (Accessed on 14/11/2012 at 10:57PM)

[http://darpg.nic.in/darpgwebsite\\_cms/Document/file/sdadmin15.pdf](http://darpg.nic.in/darpgwebsite_cms/Document/file/sdadmin15.pdf) (Accessed

on 15/10/2012 at 9:45pm)