

Indian Institute of Public Administration

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The Working Paper

on

THE ADMINISTRATIVE IMPLICATIONS OF THE THIRD PLAN

Indraprastha Estate  
Ring Road  
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THE ADMINISTRATIVE IMPLICATIONS OF THE THIRD PLANC O N T E N T S

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Morning Session

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THE ADMINISTRATIVE IMPLICATIONS OF THE THIRD PLAN

(I) : INTRODUCTION

The advent of planning since 1953 has affected the nature, scope and scale of administrative activities of the central and state administrations in India. This impact has mainly arisen as a consequence of three major forces at work: (1) the assumption by the state of developmental functions, including those in the field of welfare; (2) the increase in the scale of administrative operations, both traditional and new; (3) the need for the greater association of the people with, and their participation in, the administrative process to facilitate planning from the bottom and speedy and effective implementation of the Plans (and also due to the progress of the democratic forces in the wake of the attainment of Independence, the embodiment of democratic ideals and goals in the Directive Principles of State Policy laid down in the Constitution and the acceptance of the goal of socialist pattern of society)

The impact of planning on administration is evident on all the major five dimensions of administration in India - policy formulation and programme-making; organization and methods; personnel administration; financial administration; and public co-operation. This

impact, which began with the commencement of the First Five Year Plan, has continued through the Second Plan, and will further continue during the Third Plan; the main influences and directions remaining more or less the same. The impact is likely to be more marked during the Third Plan in some respects than it has been under the First and Second Plans; the emphasis on, and the priorities for, administrative measures during the Third Plan will, therefore, have to be different from those under the First and Second Plans. There may also be certain problems which are special to the Third Plan. These differences in emphasis and priorities will mainly arise as a consequence of differences in objectives, patterns of investment and pace of development during the First, Second and Third Plan periods.

It is also important to differentiate the administrative changes necessitated by the Plans from administrative reforms in general which are a normal feature of all administrative activity.

In the light of the above considerations it will be worthwhile, first, to examine the general impact of planning on administration common to all the three Plan periods; to take note of the major recommendations about administrative changes made in the three Plans; and then to discuss administrative problems and issues particular to the Third Plan.

(II) : THE GENERAL IMPACT OF PLANNING  
ON ADMINISTRATION

(i) Policy Formulation and Programme-Making

Broadly speaking, planning is said to have substantially affected the legislative autonomy of the States; their administrative autonomy has also been circumscribed by the methods of planning and financing of development programmes.

In a parliamentary form of government all administrative policies are, within the constitutional framework, formally formulated by the Cabinet with the assistance of the administration and are actively approved, with or without modification, or passively acquiesced in, by the legislature. In a broader sense, however, policy formulation is diffused through-out the administration.

With the advent of planning, the concentration point of administrative policy-making has shifted to some extent from the Union Cabinet and the State Cabinets to the Planning Commission and the National Development Council; and the role of the Union Ministry of Finance in the making of economic policies has also been correspondingly affected.

Planning has also brought about an integration of administrative policies, as most of these have now to fit into the broad framework of the Plans. A planned approach to development necessitates an integration of economic and social policies inter se in terms of the objectives and priorities on which the Plan is based. As the process of planning has expanded with the increasing efforts to plan from the bottom, the area and the influence which affect the policy-making process in administration have also expanded. Administrative policy-making may now be said to have a broader base and a greater responsiveness to the people's needs and aspirations than before.

The advent of developmental plans has as well enlarged the scope and quantum of administrative discretion and of delegated legislation.

(ii) Organization and Methods

Planning has been followed by a sizable expansion of the administrative activities in two broad directions, namely, rural developmental administration and public enterprises. With the establishment of community development and national extension service programmes, and the establishment of popular bodies at the village, block and the district levels, which is under way, the entire pattern of district administration in India is gradually undergoing a radical change. Advisory development councils and committees, on which the different local interests, local bodies, and local leadership are represented, have been set up at the district and the block levels to advise and assist the administration in the planning and execution of local development schemes. The increase in the number and scope of public enterprises has given rise to a sector of semi-autonomous public management, with administrative problems of its own.

The advent of planning and assumption of developmental tasks has led to the creation of planning cells within executive departments and ministries; full-fledged planning departments and planning advisory bodies at the state level and a national planning commission with a network of advisory panels and groups at the Centre; and the establishment of special offices and agencies to execute particular Plan programmes and of evaluation units to assess the progress achieved in selected fields.

The taking over of new responsibilities in the field of development and the increase in the scale of operations, both traditional and new, have led to sustained efforts for rationalisation of organisational structures (including the departmental set-up) and procedures. Several State governments and the Central Government have set up O & M units to streamline methods and procedures with a view to improving the speed and quality

of disposal, effecting economy, increasing efficiency, and decreasing public inconvenience and complaints. Here, the work of Special Re-organization Unit of the Ministry of Finance, the Central Q & M Division, and the Committee on Plan Projects deserves a special mention.

(iii) Personnel

The impact of planning on public personnel administration has mainly been in the direction of the liberalisation of recruitment policies; establishment of special functional cadres (e.g., industrial management pool, central administrative pool, central health and legal services, etc.); efforts at bulk selection; strengthening and broad-basing of training programme for the administrative and executive services (e.g., introduction of a common foundational course for the probationers of the I.A.S. and Central Field Services, refresher courses, training for higher administration at the Administrative Staff College, etc.), special training programmes for developmental administration, revision of pay scales and dearness allowance; liberalisation of pension and other benefits; introduction of incentive schemes in public enterprises; restraints on the civil servants' rights to organize and strike and on certain economic activities; creation of special machinery for administrative vigilance; strengthening of statutory provisions for combating corrupt practices; and emphasis on correct attitudes and behaviour towards the public.

(iv) Financial Administration

Planning is said to have brought in its wake a substantial measure of financial delegation to ~~executive~~ ministries and departments; a beginning towards programme budgeting by the inclusion, for some projects, in the Explanatory Memorandum accompanying the budget, of some details about physical targets to be achieved; and a stricter scrutiny by the Estimates Committee.

(v) Public Co-operation

In regard to the fifth dimension of administration - relations with the people -, planning has released forces for an allround improvement with a view to ensuring greater responsibility, greater regard for the needs and aspirations of the people, greater mutual consideration and understanding, and increased participation of the people in the administrative process. This has in main taken three directions: community development programme, movement for democratic decentralisation of local government, and implementation of developmental and welfare programmes with the active participation of the people and voluntary organizations.

(III) ADMINISTRATION UNDER THE THREE PLANS

(a) Administrative Organization and Management

The first Plan placed emphasis on administrative leadership; integrity; machinery to enquire into cases of misconduct on the part of persons who hold any office, political or other; efficiency; staffing arrangements for management of state industrial enterprises and for dealing with matters of economic policy and administration, development, land reform and food administration; improvement of quality of recruits to the administrative services and of the procedures for their selection; establishment of joint 'development' cadres and similar other co-operative arrangements between the Centre and States; improvement of in-service training arrangements, the importance of careful grounding in revenue and development administration for the probationers of the administrative services, the organization of refresher courses for senior administrative officers, etc.; establishment of O & M units at the Centre and in States; improvement of supervision and inspection; better human relations; review of methods of financial control; greater attention to financial implications at the stage of planning of projects, and allocation of priorities; improvement of efficiency rating methods so as to facilitate promotion of outstanding officers; and systematic

evaluation of results as a normal administrative practice.

The Second Five Year Plan enumerated the principal administrative tasks as follows: ensuring integrity in administration; building up administrative and technical cadres and providing incentives and opportunities for creative service; continuously assessing requirements of personnel in relation to the tasks to be undertaken; organising large-scale training programmes in all fields and mobilising the available training resources; devising speedy, efficient and economic methods of work, providing for continuous supervision, and arranging for objective evaluation of methods and results at regular intervals. It also emphasised the need for affording opportunities to officials at all levels for exercising the maximum responsibility; schemes for executive development; an attitude of speed and urgency; administrative talents to be drawn from all fields; and emphasis on correct human relations.

The Third (draft) Plan lists the principal objectives to be realised in public administration as under: (1) formulation of policies in clear-cut terms by Government and ensuring continuity in giving effect to them; (2) clear assignment of responsibility for implementation with full appreciation of the objectives to be achieved at every level including Minister, Secretary and Head of Department, and no interference with the decisions of the individual public servants within the field assigned to him by law and regulations; (3) ensuring everyday efficiency with speed and prompt disposal, including (a) proper training of personnel, especially middle-grade, (b) simplification of procedures through systematic work studies, and (c) effective supervision of work at each level; (4) continuing administrative leadership for securing steady improvement in administrative efficiency and standards; and (5) ensuring in respect of important construction projects that the best results accrue for the expenditure incurred and

All the three Plans have emphasised the need for allowing reasonable freedom and initiative to Heads of Departments and executive agencies to enable them to function more effectively on their own responsibility.

(b) District and Rural Administration

The First Five Year Plan stated that the primary emphasis in district administration had to be on the implementation of development programmes in close co-operation and with the active support of the people. Apart from the problem of finding personnel for the higher positions in the district and the problem of adapting the administrative system to the temper of democratic government, the re-organization of district administration was to provide for: (1) strengthening and improvement of the machinery of general administration; (2) establishment of an appropriate agency for development at the village level which derives its authority from the village community; (3) integration of activities of various development departments in the district and the provision of a common extension organization; (4) linking up, in relation to all development work, of local self-governing institutions with the administrative agencies of the State Government; and (5) regional co-ordination and supervision of district development programmes.

The Second Plan reiterated the above-mentioned objectives of district administration. It further placed emphasis on securing local community action and public participation so as to obtain the maximum result from public expenditure, as in agriculture and in social services, and on carrying technical, financial and other aid to small producers, as in agriculture, national extension and community projects, and village and small industries. It also laid stress on strengthening the co-operative sector of the economy through assistance in managerial and technical personnel and establishment of co-operative, financial, marketing and other institutions.

The Third (draft) Plan points out that success in carrying out programmes of rural development turns very largely on the efficiency and integrity of the administration at the district, block and village levels. It will be essential to ensure that during the Third Plan panchayat samitis in the block place their main emphasis on increase in agricultural production rather than on programmes for providing amenities and that they function effectively as agencies for fulfilling the plan in their respective areas. Subject to advice and considerations of overall priority the ultimate responsibility for development work in the block should be that of the block panchayat samitis and this aim should be progressively pursued. The responsibility of the district administration at all levels for making supplies and services available at the right time according to the accepted programmes and for preventing loss due to waste or misapplication of funds should be emphasised and nothing should be done to blur this chain of responsibility. As a rule, a village level worker should be able to serve effectively 1,000 to 1,200 families. Village level workers and other extension personnel should remain in their areas for long periods and efforts should be made to assure to extension staffs their due emoluments and promotions without having to change their jobs or move to other areas. It may be noted that by October 1963, community development will extend over the entire country.

(c) Public Enterprises

In regard to the public sector, the First Plan emphasised the necessity of internal autonomy to ensure that the public enterprises were well-run and efficient. It proposed the establishment of a central board which should give detailed attention and advise the Government in respect of questions of general importance for the public sector as a whole, such as personnel for industrial management, finance and accounting, price policies, investment programmes, etc.

The Second Plan envisaged a large expansion of public enterprise in the sphere of industrial and mineral development. It took note of the proposal for the establishment of an industrial management pool and suggested that questions bearing on methods of management and personnel policies in public enterprises need/well-informed<sup>-ed</sup> and continuous study to which independent experts and leading organisations, both in the public sector and in the private sector, could contribute valuable experience.

In the Third (draft) Plan, the emphasis has been placed on adequate internal autonomy, necessary delegation of powers at all levels, arrangements for systematic audit of physical performance in all public enterprises, both in the construction stage and subsequently, and development of suitable tests or indicators of efficiency and productivity.

(d) Public Co-operation

The First Plan stressed the role of local self-government authorities, professional associations, universities, voluntary organizations and individual citizens in implementing plan projects and in supplementing plan efforts. The Second Plan placed emphasis on labour co-operatives, local development works, youth camps, university forums, village groups and mobilisation of small savings. The Third (draft) Plan has underlined the importance of the role of voluntary organizations in the programmes of urban and rural community development, of labour and social service camps and planning forums and of other similar bodies in mobilising community efforts to meet the main needs of local communities and in developing greater cohesion and a common social outlook.

(IV) ADMINISTRATION FOR CHANGE

The foregoing analysis of recommendations on administration made in the first two Plans, and of the actual impact of the two Plans on administration to date, indicates that the general emphasis under the two Plans has been on the adjustment and re-organization of the administrative organization, methods, procedures, and practices to the requirements of development under the two Plans. During the Second Plan period increasing attention has also been devoted to the reinforcement of administrative machinery and to the evolution of a new type of developmental administration in the rural areas and its integration with the normal administration.

The recommendations on administration contained in the Third Plan, which have been listed earlier, may be, very broadly speaking, said to emphasise those aspects or elements of administration which will help to facilitate the implementation of the Plan as a whole, of its different parts and programmes.

The administrative problems which will be particular to the Third Plan, and priorities which may be allotted to them\*; will depend upon several factors, such as, the administrative changes in organization, methods, procedures, personnel and financial practices etc. which have already been effected during the First and the Second Plans; the exact administrative requirements of development in general and of the various programmes and projects in particular under the Third Plan; potentialities of the existing administrative organization and practice to cope<sup>up</sup>/with these requirements; the extent and scope of new administrative changes needed to meet the requirements; the pace of social change; the general economic and political climate during the Third Plan, etc.

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\* The question of priorities is discussed in detail in Section V.

Again, many of the administrative problems during the Third Plan will not be altogether new, but certain aspects or elements of them may require particular attention during the Third Plan. Some of the problems may be more important under the Third Plan because of the increase in their dimension.

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Administration under planned development is primarily a 'resource'. The speed and effectiveness of implementation of plans of development are conditioned not only by financial and natural resources but also by administrative talent and resource. Though the three Plans contain innumerable recommendations covering the entire gamut of administration, they do not appear to have been formulated on a fuller consideration of administration in its totality as a resource. It is here that the approach to administration under the Third Plan needs a fundamental reorientation. Not only should administration be considered as a basic resource vital to planned development, it must also be conceived as a resource which is not static but dynamic, i.e. it is to be continually adjusted to the requirements of a developing economy. This new concept of Administration For Change, which is said to have so far eluded the planners in India, may be given special and urgent attention. A beginning in the direction may perhaps be made under the Third Plan.

The concept of Administration For Change throws up another important issue - that of the acceptance of change by the existing Administration itself. Generally, the functioning of administration, with its vast ramifications of bureaucratic interests, and traditional outlook, attitudes, and

rhythm of working, may offer resistance to administrative change; any change brings into play other factors which tend to offset the change. A very important administrative problem, therefore, during the Third Plan, will be how to break this resistance and re-orient the attitudes of the civil servants at all levels for a willing acceptance of administrative change.

(V) : THE QUESTION OF PRIORITIES

(1) THE PLAN OBJECTIVES

Under the First Five Year Plan, top most priority was placed on agriculture including irrigation and power; development of key industry (like iron and steel, heavy chemicals, electrical equipment manufacture, etc.) came next; and social services, in particular the mobilisation of local efforts through community development programme, occupied the third place in the order of priorities.

In the Second Plan, the principal objectives were described as under:

- (a) a sizeable increase in national income so as to raise the level of living in the country;
- (b) rapid industrialisation with particular emphasis on the development of basic and heavy industries;
- (c) a large expansion of employment opportunities;  
and
- (d) reduction of inequalities in income and wealth and a more even distribution of economic power.

The Draft Outline of the Third Plan lists its objectives as

follows:

- (i) to secure during the third plan a rise in national income of over 5 per cent per

annum, the pattern of investment being designed also to sustain this rate of growth during subsequent plan periods;

- (2) to achieve self-sufficiency in foodgrains, and increase agricultural production to meet the requirements of industry and exports;
- (3) to expand basic industries like steel, fuel and power and establish machine building capacity, so that the requirements of further industrialisation can be met within a period of 10 years or so mainly from the country's own resources;
- (4) to utilise to the fullest extent possible the manpower resources of the country and to ensure a substantial expansion in employment opportunities; and
- (5) to bring about a reduction of inequalities in income and wealth and a more even distribution of economic power.

As regards priorities, it is stated that, the first priority necessarily belongs to agriculture; the second to the related sectors of industry, power and transport; and the third to social services.

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The following patterns of outlay and investment during the First, Second and Third Plans also deserve notice:-

	(Rs. crores)		
	First Plan 1951-56	Second Plan 1956-61	Third Plan 1961-66 (anticipated)
Public Sector outlay	1,960	4,600	7,250
Public Sector investment	1,560	3,650	6,200
Private Sector investment	1,800	3,100	4,000
Total investment	3,360	6,750	10,200

It will be seen that the Third (draft) Plan provides for an increase of about 51 per cent in the total investment, of about 70 per cent and about 58 per cent respectively in the investment and outlay undertaken in the public sector, and about 29 per cent in the private sector investment. The outlay on 'industry and minerals' and 'transport and communications' during the Second and the Third (draft) Plans are indicated below:

	<u>Outlay</u>	
	<u>Second Plan</u>	<u>Third Plan</u>
	(Rs. Crores)	
Industry and Minerals	880	1500
Transport and Communications	1290	1450

The scope of the public sector has increased steadily during the First and the Second Plans. Although the contribution of public enterprises to the national income is quantitatively small at present, it has to become much more significant in the Third Plan. Under the Third (draft) Plan surplus from public enterprises other than railways, on the existing basis, for the purpose of financing the Plan, is estimated to be of the order of Rs. 440 crores.

## (2) THE ALLOCATION OF PRIORITIES

In the light of the objectives of the Third (draft) Plan, the priorities as between the different sectors of administration may be as follows:

1. Rural administration, including community development and national extension service programmes, and development of cottage and small industries;
2. Public enterprises; and
3. Non-developmental administration (this must also expand with the increase in developmental administration).

The above order of priorities does not, however, mean that those lower in the order of priority should be totally neglected or that their present standard of functioning should deteriorate in any way.

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It may be contended that administration is, like a human body, an organic whole and it is unwise to talk of any schemes of priorities as between different aspects or activities of administration. It is well to remember, however, that in life all analogies are misleading; an analogy may approximate to the reality to a greater or smaller degree but is no substitute for it. Taking even the analogy of the human body, for its physical continuity, it may be necessary to devote greater attention to some matters than others, e.g., those which affect respiratory, nervous and digestive systems. Though any too detailed system of priorities is likely to defeat its very purpose, and it may be necessary at times to allot priorities not to individual administrative items inter se but to groups of items, priorities are essential in any scheme of planning which deals with multiple ends and scarce means. Priorities are only general indicators for devoting greater attention to certain sectors or problems of administration.

Thus, though priorities which may be allotted to different sectors, aspects, or elements of administration, in the context of the contemporary objectives and needs, may not be inflexible or too much detailed, it will be desirable to have at least schemes of broad priorities to facilitate speedy and effective implementation of development plans. For instance, within the functional aspects of administration, "personnel" deserve highest priority. Good personnel with high standards of integrity and efficiency, who are capable of directing and managing administrative operations related

to the implementation of plan projects, are more important than any schemes of organization and methods no matter how scientifically devised. Good personnel can make a defective organization work well, while bad personnel may even make a good organization founder.

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Bearing in mind the considerations discussed above, the scheme of priorities for the different functional aspects of administration under the Third Plan may be as follows:

- (1) Policy Formulation & Programme-Making;
  - (2) Personnel;
  - (3) Organization and Methods;
  - (4) Financial Administration; and
  - (5) Public Co-operation.
- } (Bracketed together  
} for priority)

Listed below are, for each of the above five fields, the more important administrative problems under the Third Plan and the priorities which may be allotted to them. The order of priorities is only suggestive, and not exhaustive or determinative.

(1) Policy Formulation & Programme-Making

- (i) Policy formulation and programme-making after, and not without, due consultation with the interests, the people, and the official agencies, affected.
- (ii) Integration of policies and programmes into a coherent whole to remove internal inconsistencies.
- (iii) Allocation of priorities at all levels, between broad fields, between broad policies, between sub-policies, etc.

(2) Personnel

- (1) Integrity at all levels in the following order of priority:-
  1. Ministers
  2. Top management
  3. Middle management
  4. Lower staff
- (ii) Manpower planning and service reorganization:
  - (a) Reorganization and integration of services into broad functional groups, e.g. "generalist-administrator", "economic"; and "welfare";
  - (b) Assessment, on a scientific basis, of the requirements of personnel for each of the above groups; and
  - (c) Strengthening of "functional" as well as "generalist" cadres; improvement of quality of recruits through improved selection techniques.
- (iii) Working out and laying down standards of performance at all levels and provision of adequate facilities for efficient performance.
- (iv) Broadening the base of the system of promotion to higher echelons to draw in administrative talent from all sources; and the use of more objective criteria for stricter selection for promotion on the basis of relative merit for higher responsibilities ( and not on the basis of effective performance in the existing job).
- (v) Training for supervision, executive development, and higher administration.
- (vi) Adequate machinery for employee consultation and for peaceful settlement of disputes.
- (vii) Increased welfare amenities.

(3) Organization and Methods

- (i) (a) Differentiation of functions and responsibilities at all levels in clear-cut and precise terms; this will also include Secretary-Minister relationship;

relations between Secretariat and executive departments; relations between public enterprises, Minister and Parliament; relations between generalist-administrators and technicians, etc.

- (b) Affording adequate freedom and initiative for effective functioning of executive departments, public enterprises, and officers responsible for specific results, at their own level without higher interference, within the framework of laws and regulations and delegations.
- (ii) Detailed enquiries, for all major continuing projects, to spot administrative deficiencies responsible for slow or ineffective implementation.
- (iii) Streamlining of methods and procedures to provide for <sup>greater</sup> regard for public convenience and remove public complaints about delays, and to incorporate internal checks and balances against loss of integrity.
- (iv) Increased use of work study techniques to build up hierarchical structures conducive to high efficiency and personnel development, to determine spans of control, optimum size, degree of decentralization and delegation, and most effective ways and means of co-ordination.
- (v) Initiation of studies to assess the nature, direction and quantum of the trends in the administration towards proliferation and to suggest necessary control measures.
- (vi) Discovery of new extra governmental channels and agencies for undertaking increased governmental responsibilities both in scale and scope.
- (vii) Rationalisation of the network of advisory boards and committees.

(4) Financial Administration

1. Setting up of standards of costing and development of internal financial competence within the executive departments and ministries and state enterprises.
2. Working out suitable indicators and control mechanism for regular or periodical audit of performance.
3. Increased financial delegation

(5) Public Co-operation

1. Field survey and investigations into the work already done by, and the current problems of, voluntary agencies, professional bodies, universities and other agencies, in the field of public co-operation.

2. Creation of a central agency for co-ordinating the work of voluntary organizations (the Central Social Welfare Board deals mostly with welfare of women and children only).
3. Strengthening of training schemes for public co-operation, in particular, the organization of a 'core' course in public co-operation.
4. Improvement of emoluments and conditions of work of social workers.

(3) PRIORITIES WITHIN SPECIAL SECTORS

The scheme of priorities suggested above is one of general application; and many of the administrative problems under the Third Plan to which it applies will continue under the subsequent Plans. Community development and rural administration and public enterprises - sectors for which first and second priorities as between different sectors of administration have been recommended earlier - may, however, require special consideration.

Within the field of community development and national extension service programmes and other aspects of rural administration, the allocation of priorities, to administrative problems which deserve special attention, may be as follows:

- (1) Placing adequate resources at the disposal of panchayats.
- (2) Training for local leadership for panchayats and other popular bodies.
- (3) (a) Relations between the technical and administrative personnel at the block and district levels.  
(b) Advice and assistance in regard to technical and organisational problems of handicrafts, cottage industries, local works, community works, schemes to build up local remunerative assets, and other projects designed to create rural employment.
- (4) The establishment of regular cadres for village and block officials and provision of adequate avenues for promotions; the relationship between the government officials and the popular bodies.

- (5) Measures for protecting the popular bodies against political pressures.
- (6) Allowing freedom and initiative to popular bodies functioning within the set-up of district administration, flexibility in operation, and proper linking with the normal district machinery of administration.
- (7) Initiation of studies to determine optimum size of the village body, the block body, service co-operative etc.

Similarly in the public enterprises, the major problems in the order of priority may be stated to be as under:-

- (1) Demarcating for each enterprise the area and contents of internal autonomy, listing matters for ministerial directives, and providing for delegation of administrative and financial powers at all levels all along the hierarchy.
- (2) Improving accountability to Parliament by making the annual reports more comprehensive and detailed, setting up a special standing committee of Parliament on public enterprises, etc.
- (3) Laying down a clear-cut policy about the operations of the enterprise on profit or non-profit basis.
- (4) Assessing the requirements of and setting up of a cadre of top-management personnel with a high degree of integrity, competence and efficiency.
- (5) Training for executive development.
- (6) Fixation of standards of costs and of performance, the establishment of machinery for evaluation of performance and results; and setting up of mechanism of financial and supervisory controls.
- (7) Incentive plans for good performance and promotion systems based on evaluation of merit for higher responsibilities.

(VI) THE NEED FOR COMPREHENSIVE SCIENTIFIC INVESTIGATIONS INTO ADMINISTRATIVE PROBLEMS

The second important matter to which inadequate attention has been devoted in the Third (draft) Plan relates to the investigation of contemporary administrative problems on a scientific basis. With the Second

Plan nearing completion, a stage has been reached when effective solutions to administrative ills can no longer be found on thinking them out on the basis of general literature on administrative theory and practice and the past experience in India. These solutions require specific investigations on a sampling basis or in the form of case studies to determine the merits and demerits of certain administrative choices. With the exception of some work done by the Special Re-organization Unit, of the Union Ministry of Finance, in regard to assessment and revision of work loads, by the Committee on Plan Projects in respect of evolving suitable methods, standards and techniques for achieving economy and ensuring efficient execution of projects, and by the Research Programmes Committee in the matter of administrative surveys, scientific investigations into administrative problems seem to have been quite inadequate. Some of the contemporary issues which demand comprehensive investigations on a scientific basis are listed below:-

- (1) While useful work has been done in recent years under the direction of the Central Manpower Directorate, the manpower committees or units in the States, in the matter of assessment of the requirements of scientific, technical and allied personnel, no such assessment seems to have been made in regard to administrative personnel. The periodic increase in the State Cadres of the Indian Administrative Service is related to the number of senior administrative posts in the States, which have been in existence for some time and which will continue on a permanent basis. These posts are initially created on an ad hoc basis as and when need arises. This method does not fully take into account the requirements of developing economy; it does not give consideration to factors like intensity of population, stage of economic development, natural resources awaiting utilisation, rate of per capita national income accruing in the State, degree of social backwardness, etc.
- (2) Both the First and Second Plans mentioned that it was too early as yet to determine whether the "company" form or the "corporation" form of non-departmental management of public enterprises was more suitable to Indian conditions. Both the forms have been used in different contexts. No adequate investigations or studies seem to have been made to determine the most appropriate form of organisation for running public enterprises.

- (3) Both in Parliament and in the Press there has been in recent years considerable discussion of the need for internal autonomy in public enterprises. However, no definite studies appear to have been made which would relate the degree of autonomy to the nature of enterprises, the stage of its development, the size and nature of its market, the manufacturing process and other allied factors. Nor, perhaps, have any studies been undertaken to work out for selected enterprises the exact form and content of autonomy.
- (4) Another contemporary controversial matter has been whether the administration is overstaffed or understaffed. The Special Re-organization Unit of the Ministry of Finance has tackled this question from a different perspective - that of efficiency and economy - by using techniques of work study. However, these techniques have not been used widely enough to decide the issue.
- (5) Different views have been expressed from time to time on span of control in the Central Secretariat. For instance, Mr. Appleby, in his first report, submitted in 1953, recommended that "any normal pyramiding would suggest (except where Secretaries have no administrative functions) about four Joint Secretaries to each Secretary and Additional Secretary, about four Deputy Secretaries to each Joint Secretary, about four Under Secretaries to each Deputy Secretary, and from four to seven Assistant Secretaries to each Under Secretary, with about the same number of section or unit heads under each Assistant Secretary". In 1949, Shri Gopaldaswamy Ayyangar had recommended: "As a broad rule of general application, I hold that a Secretariat organization of three deputy secretaries, each in charge of one secretariat division, should be regarded as the ordinary upper limit of the manageable charge of one secretary assisted by a joint secretary".

Though the Special Re-organization Unit has done some work in the matter as an adjunct to fixation of work loads, comprehensive and specific investigations have still to be undertaken to determine what will be the appropriate spans of control at various levels for different ministries, or for groups of ministries/departments having functions similar in nature and scope.

- (6) Mr. Appleby, in his two reports, deprecated, the tendency towards excessive interministry consultations and cross references before action. The Third Plan contains a similar recommendation. But hardly have any specific scientific investigations been made to assess the nature and content of the problem and in particular to suggest some definite guide-lines for reduction of inter-departmental conferences and consultations.
- (7) Corruption and delays in government have also come in for severe criticism in recent years. Here again, apparently, inadequate investigations or case studies have been made to discover their underlying causes.

The above is only an illustrative list of fields in which further investigations on a scientific basis may help to solve the administrative ills which characterise administration today and which impede in one way or other the speedy implementation of Plan projects.

(VII) ADMINISTRATIVE LEADERSHIP

The third aspect to which insufficient attention had been paid till recently concerns administrative leadership. The quality of administration and its effectiveness are, in the last analysis, largely determined by the leadership at the top, both political and non-political. The Third (draft) Plan mentions that this leadership must come largely from the higher ranks of the public services, and may be secured through a committee of senior officers which reports to the Cabinet and is charged with continuing responsibility for proposing measures for improvement in the standards of administration and for reviewing the action taken by various departments.

On the administrative leadership also depends the solution of the two basic problems mentioned earlier in regard to administration for change, namely, breaking the resistance of the Administration itself to administrative change and increased attention to the concept of administration as a resource by the planners.

(VIII) POINTS FOR DISCUSSION

The following points for discussion emerge from the foregoing analysis of the administrative problems under the Third Plan:-

- (1) To what extent is it necessary and desirable to differentiate administrative reforms in general from administrative changes necessitated by planning and development?
- (2) In what ways will the impact of the Third Plan on administration be different from that of the First and Second Plans? In other words, what will be the administrative problems, issues or elements particular to the Third Plan?
- (3) (a) For the solution of administrative problems, under the Third Plan, is it necessary and desirable to allocate priorities -----

as between different sectors of administration (e.g., community development and rural administration, public enterprises, regular administration, etc.) ?

As between different functional aspects of administration (e.g., policy formulation, organization and methods, personnel, financial administration, public relations and public co-operation, etc.) ?

as between different constituents of each functional aspect of administration (e.g., for "personnel", as between recruitment, training, promotion, conditions of work, etc.) ?

(b) If such priorities are desirable, what should these priorities be ?

- (4) To what extent and in what fields do the administrative problems under the Third Plan require further investigations on a scientific basis?
- (5) (a) In what other ways can the planning process, for the Third Plan, be improved to give fuller consideration to administration as a basic resource of planned development - a resource which has not only to be augmented but also continually adjusted to the requirements of a developing economy?
- (b) What measures should be included in the Third Plan to overcome the resistance of Administration to, and to secure its willing acceptance of, administrative change?
- (6) In what directions and ways may the present tone and scope of administrative leadership, both political and non-political be improved for the successful implementation of the Third Plan?
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