



RKDF UNIVERSITY, BHOPAL

Bachelor of Arts (B.A.) Political Science Third Semester

| Course | Category | Subject | Subject Code |
|------------------------|--------------|--|------------------|
| B.A. | Minor | Public Administration | BA-PS-302 |
| Total Credit: 6 | | Max.Marks:100 (Internal:40+External:60) | |

Course Outcomes (CO):

After completing this course student will be able to:

CO1:-Demonstrate critical thinking, research, and communication skills as applied to the public and private sectors.

CO2:-Explain the cross-cultural context of public and private institutions operating in a global environment.

CO3:-Manage diversity issues within an organizational framework.

CO4:-Identify major issues in today's public and private institutions.

CO5:-Demonstrate the integrative knowledge, skills, and ethics necessary for responsible administrative, management and leadership positions.

CO6:-Demonstrate the management, legal, ethical, and behavioral skills for effective job performance and career mobility.

| Units | Topic | Duration (In Hours) | Marks |
|-------|---|------------------------|-------|
| I | <ul style="list-style-type: none"> • Open Administration: Meaning, Nature, Evolution, Significance: • It includes the Nature, definition and scope of public administration. • Students are taught the distinction between public and private administration. • New public Administration and New Public Management. | 18 | 20 |
| II | <p>Basic principles and Concept of organization</p> <p>I. Basis of organisation.</p> <p>II. Hierachy ,Span of Control,Unity of Command,Coordination , line & staff.</p> | 18 | 20 |
| III | <p>Theories of administration</p> <p>*Scientific management –Taylor and Fayol.</p> <p>*Bureaucracy – Max Webar</p> <p>*Humanist School- Elton Mayo.</p> | 18 | 20 |
| IV | <p>Personnel and financial Administration:</p> <p>*Civil Services : Role of civil service in india</p> <p>*Recrutment training , promotion</p> <p>*Budeget : types , Budgetary Process in</p> | 18 | 20 |

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|---|--|----|----|
| | india * Comptroller and Auditor of India | | |
| V | Citizenship and Good Governance I. what is Good Governance. II. Institutional mechanism and Good Governance : JanSunwai , Social Audit. | 18 | 20 |

Self-Study Material (OLD)

Meaning of Administration

Administration is the range of activities connected with organizing and supervising the way that an organization or institution functions. It is the process of organizing and supervising; it is the group of people who organize and supervise it; and it refers to a country's government especially in the United States.

Definition of Administration in the British Context

Administration is the management of the affairs of an organization, such as a business or institution; the duties of an administrator; the body of people who administer an organization; the conduct of the affairs of government; the executive branch of government along with the public service; the government as a whole; the political executive, especially of the United States; the government; mainly United States a government board, agency, authority, etc; property law; the conduct or disposal of the estate of a deceased person; the management by a trustee of an estate subject to a trust; the administering of something, such as a sacrament, oath, or medical treatment; and the thing that is administered.

Definition of Administration in the American Context

Administration is the act of administering; the management of governmental or institutional affairs; and the officials in the executive branch of a government and their policies and principles. In simple terms the term “Administration” is derived from two Latin words ‘ad’ and ‘ministrare’, which means ‘to serve’ or ‘to look after’. Therefore, administration refers to looking after the affairs of the people or serving the people.

1.2 Meaning of Public Administration

Public administration is like any other administration which is carried out in public interest. Before we dwell deeper into understanding public administration it would be beneficial to try and see how different authors have tried to define what administration is.

Definition of Public Administration

According to Marx administration is determined action taken in pursuit of a conscious purpose. It is the systematic ordering of affairs and the calculated use of resources aimed at making those happen which one wants to happen.

Frederic K Lane defines administration as organizing and maintaining human and fiscal resources to attain a group's goals. A complete definition for public administration however is difficult to arrive at due to the sheer number of tasks that fall under it. Some academicians argue that all the government related work falls into this category while other choose to argue that only the executive aspect of government functioning comprises of public administration.

According to L.D. White, Public administration consists of all those operations having for their purpose the fulfillment or enforcement of public policy. On the other hand as per Woodrow Wilson public administration is a detailed and systematic application of law. One can also say that public administration is nothing but the policies, practices, rules and regulation etc, in action.

F. A. Nigro who argues that public administration is essentially a cooperative group effort in public setting. Secondly, it covers all the three branches of government machinery, the executive, the legislative and the judicial. He further added that since public administration plays a crucial role in formulation of policies therefore it is a part of the political process as well. Negro also said that public administration is different from private administration in numerous ways and that it interacts with various private groups and individuals in providing services to the community.

In simple language the affairs of the people can be looked after either by the government or by private organizations. When the affairs of the people are looked after by the private organizations, we call it as private administration. When the affairs of the people are looked after by the Government we call it as Public Administration. Therefore, Public Administration means Governmental Administration.

There are three views with regard to the meaning of Public Administration. According to the first view, the Government consists of three branches. They are the Legislature, the Executive and the Judiciary

The function of the Legislature is to make laws. The function of the Executive is to implement the laws. And the function of the Judiciary is to interpret the laws. Since Public Administration is Governmental administration, according to the first view, Public Administration is concerned with the various activities of the three branches of the Government.

According to the second view, Public Administration is concerned with the implementation of policies or implementation of laws. The Executive branch of the Government is concerned with the implementation of policies or the implementation of laws. Therefore, according to the second view, Public Administration is concerned with the various activities of the

Executive branch of the Government.

According to the third view Public Administration is concerned with the various activities of the administrative branch, which is hidden in the Executive branch of the Government. The Executive branch consists of the political authorities and the administrative authorities. The Political authorities are mainly concerned with making of policies and making of laws. The policies and laws of the Government are actually implemented by the administrative authorities that form the administrative branch of the Government. Therefore according to the third view, Public Administration is concerned with the various activities of the administrative branch of the Government, which is primarily concerned, with the implementation of laws and policies. The third view with regard to the meaning of Public Administration is widely accepted by the scholars of Public Administration.

Nature of Public Administration

There are two views with regard to the nature of public Administration. They are managerial view and integral view.

According to managerial view, Public Administration is concerned with the various activities of the officers of the Government. The officers of the Government by their strict supervision and control over their subordinates see to it that the policies and laws are properly implemented. Therefore, according to the managerial view, Public Administration is concerned with the various activities of the officers of the Government.

According to this view, Public Administration is concerned with the various activities of the entire officials of the Government. All the officials in the Government from top to bottom are involved in the implementation of laws and policies. Therefore, according to the integral view, Public Administration is concerned with all the activities of all the Governmental officials who are involved in the implementation of laws and policies.

Scope of Public Administration

There are different views with regard to the scope of Public Administration. Different scholars have the scope of Public Administration in different ways. But the scope of Public Administration defined by Luther Gulick is accepted by the majority scholars of Public Administration.

Luther Gulick has defined the scope of Public Administration in a phrase "POSDCORB" which is made up of initials and indicates the following activities.

'P' stands for planning. That is, working out in a broad outline the things to be done and the

methods to be adopted for accomplishing of the purpose in hand.

‘O’ stands for organizing. That is, building up the structure of authority through which the entire work to be done, is arranged into well-defined subdivisions and co-operation.

‘S’ stands for staffing. That is, appointment of suitable persons to the various positions in an organization and the various activities connected with the personnel management.

‘D’ stands for directing. That is, making decisions and issuing orders and instructions for the guidance of the staff.

‘CO’ stands for co ordination. That is, interrelating the various parts of the work and eliminating of over a lapping and conflict.

‘R’ stands for reporting. That is, keeping both the superiors and the subordinates informed of what is going on and arranging for the collection of such information through inspection research and records.

‘B’ stands for budgeting. It stands for the whole of the public financial administration such as, preparation of the budget, enactment of the budget, execution of the budget, accounting, auditing and control over budget.

Nature and Scope of Public Administration

The quote by Schumpeter calls for a heated debate on its relevance and credence. However, there is no denying that bureaucracy; since a couple of centuries or so; has been an integral part of the Government, the State the people and the way they function with each other.

Public administration is the single most important aspect of bureaucracies across the world; be it a democratic, socialist or a capitalist state, more so in a socialist state, as all aspects of the citizen life are influenced and decided by the government.

There has been considerable shift in the way the public administration was carried out in ancient and medieval times when the initiatives were nothing more than sporadic administrative functions like maintaining law and order and collecting revenues with little or no welfare activities. The people who carried out those activities were selected by the monarchs and were no better than their personal servants.

With changing times, the objective of public administration also underwent a change and by the nineteenth century; an organized approach to public servants and public

administration was adopted. This approach was based on an exhaustive legal framework replacing the patriarchal and hereditary function with bureaucracy.

The advent of this new approach to public administration happened due to many reasons. The foremost being the Industrial revolution. With Industrial Revolution, the Government forayed into trade and commerce; which was followed by Imperialism, Nationalism and Internationalism which added on to the widening avenues of Government duties and responsibilities.

The times today are again vastly different from what existed a century ago and once again the scope of public administration has also undergone a shift, it's difficult to decide whether it is paradigm or not. However, the increasing awareness amongst people especially in the developing countries [for e.g. The Right to Information Act or RTI act in India] and an acquired knowledge of rights, privileges and laws amongst the people of developed countries [for e.g. the debates on The Health Care and Education Reconciliation Act of 2010] have thrown new challenges for the public administrators and policy makers.

The demand for unified national services, the conflicting interests between the various economic sections of the society and with global migration and subsequently globalization; the protection of the interests of the multi-ethnic groups of the society have kept the public administrators occupied.

Administration matters so much because it is not enough to make policies and laws on paper. The interpretation and translation of those policies and laws into actions and carrying them out is the difficult part. The public administrators therefore have to play an important role in running the government as machinery. Bureaucracy has often been sneered and ridiculed at but if the administrative work is stopped, nothing really would be happening.

In almost all the countries the number of people employed in public administration work is appalling like in USA the figure roughly stands at 2036000 civilians excluding the employees of Congress and Federal courts, in England the figure runs into several thousands and in India the civil services exam itself draws lakhs and lakhs of applicants while the selection percentage is meager [for e.g the 2006 numbers for selection in the UPSC was 383983 applicants and 474 actually recommended for posts.]

The various important roles that public administration plays, the most important one are implementing laws and policies and acting as their adjudicators. It is therefore important

that the reader approaches the study of public administration with an open mind and without prejudices to appreciate the full nature, role, importance and relevance of the bureaucracy.

Scope of Public Administration in 1960's

In 1960's the scope of Public Administration has been expanded to include the following areas in the study of Public Administration. They are Development Administration, Comparative Public Administration, Ecology of Public Administration, International Public Administration and Policy Science or Policy Analysis.

Politics and Public Administration

Policy Science or Policy Analysis was part of the study of Political Science. It was mainly concerned with making of policies, which was the concern of the study of Political Science. If policies have to be properly implemented which is the concern of the study of Public Administration, the policies themselves should be properly made. Therefore, policy making which was concern of the study of political Science has become an important area of the study of Public Administration. Since Public Administration is derived from the discipline Politics the details relating to Politics and Public Administration are discussed as follows.

Before 1886, the subject matter of Public Administration was studied in the discipline Politics or Political Science. The discipline Public Administration took its shape only in the year 1887, when Woodrow Wilson wrote an essay titled "The Study of Administration". He said that Politics was concerned with policy making which was the concern of the political authorities and Public Administration was concerned with implementation of policies which was the concern of the administrative authorities. This dichotomy of politics and public administration was the main theme for the study of Public Administration to the scholars like Goodnow, L.D. White, Pfiffner etc.

Pfiffner on the basis of the characteristics and functions of the political authorities and administrative authorities attempted to differentiate Politics from Public Administration. Let us discuss in this lesson the differences between Politics and Public Administration from the point of view of Pfiffner.

According to Pfiffner political authorities are amateurs and administrative authorities are professionals. For political authorities administrative work is only a part time work because they are fulltime politicians. Therefore, they cannot concentrate their full attention on administrative work.

Administrative authorities are experts on administration. They are appointed to the administrative positions on the basis of their professional qualification and merit.

Political authorities generally belong to different political parties. Therefore, they try to fulfill the ideologies of their political parties without much bothering about administrative requirements. Administrative authorities are not political. They are expected to serve the entire population of the country. They have to abide by the rules and regulations while carrying out the different functions.

Political authorities are partisan. Since they belong to a political party, they try to fulfill their promises given by the political party before getting elected to power. Therefore, they act in a partisan way. Administrative authorities are non-partisan. They carry out the different functions of the Government's in a non-partisan way without showing any favoritism or nepotism to any political party.

Political authorities are temporary. They come and go. They occupy positions in the Government when their political party captures power. When the party loses power, automatically they lose control over the administrative authorities. Administrative authorities are permanent. Generally they are appointed till their retirement age, which may differ from country to country. In India the retirement age of the administrative authorities is between 55 and 60. In Britain the retirement age is between 60 and 65. And in America the retirement age is between 65 and 70 for the Governmental officials. The Government officials hold office until their retirement age. Thus they are permanent.

Political authorities have more political contact with the public. They become the political authorities with the support of the public extended to them during election. Their responsibilities are to contact the people belonging to their constituencies hear their problems and set right them. Thus political authorities have more political contacts. Administrative authorities are not elected by the people. They are appointed by the Government through the recruitment made by an autonomous body. Since they are expected to carry out their functions mainly basing on rule and regulations, they do not have much contact with the people. Thus, Administrative authorities have less contact with the people.

All-important decisions of the Government are made by the Political authorities. The administrative authorities help and advise the political authorities in making important decisions of the Government. The main function of the political authorities is to coordinate the various departments and thereby implement the policies and laws of the Government more effectively.

The main business of the administrative authorities is to perform their duties faithfully and sincerely according to the rules of the Government. Thus, political authorities are concerned with more coordination and administrative authorities are concerned with more performance.

Political authorities are influenced by public opinion. Public opinion of the people is not static but dynamic. Therefore, they have to change their attitudes and actions according to the changes in the public opinion of the people. If the political authorities fail to adjust to the changes, they cannot capture and retain power in the Government. The administrative authorities are influenced by technical data. They carry out different functions on the basis of rules, regulations, procedures and the technical data.

Political authorities have got more legislative contacts because they are responsible to the Legislature for the omissions and commissions in Government departments. If something goes wrong in the Government departments, the concerned political authority is answerable to the Legislature. The officers who are responsible for the omissions and commissions in the Government departments are not answerable to the legislatures. Thus, political authorities have more legislative contacts and administrative authorities have less legislative contacts.

Political authorities make the policies of the Government with help and advice provided by the administrative authorities. Thus political authorities are involved in more policy formulation whereas administrative authorities are involved in less policy formulation.

The difference between Politics and Public Administration was mainly made in the context of policy making and policy implementation. As it has been already mentioned, politics was concerned with making of policies. At present, policy making which was the concern of the study of Politics has become an integral part of the study of Public Administration and thereby, Public Administration has been made as an interdisciplinary subject.

Development Administration

The traditional approach towards administration has been limited in its scope and premise, the core of which was strict adherence to laid down rules and hierarchy. In essence it has limited the role of administration to that of a fire fighter or overseer of law and order in the comfort of laid down principles. While, nothing is wrong in this approach, if society is utopian but in a more practical sense it causes problems. Since, bureaucracy is that arm of government which is responsible for executing plans and allocating resources at the grassroots, it is imperative that they take some risks and be innovative in approach, especially more so when the nation is a developing

one.

Development Administration is about projects, programs, policies and ideas which are focused at development of a nation, with the point of view of socio-economic and socio-political development of society in general, carried out by talented and skilled bureaucrats.

A model of Development Administration must contain certain points. It should reject status quo and be directed towards change and more so towards results. It is result oriented at its core and every development function should have a defined objective. Planning is essential to decide the framework of resources and time to be allotted for a development function. Innovation. It is dynamic in approach and encourages new and better ways to achieve objectives. It should focus on planning for the people as well as with the people. It is people-centered, must empower society as a whole and not product or profit-centered. The concept of Development Administration should be understood using two concepts Administration of Development and administrative Development.

Resources are scarce, material or human thus the need to make optimum utilization of available resources and making new means for development gathers importance. So administration of development involves innovation at all levels of planning; importance to the development at grassroots level; development of human capital as a resource; politics and administration must go hand in hand to establish rapid change in society and bring about just and distinct social order; and freedom of administrative machinery to express ideas, views for the most effective and efficient use of natural resources.

For effective Development Administration the structure of Administration itself must be empowered, large and capable enough to sustain the pressures by the developmental activities. In simpler words it means to develop administrative health by rationalizing and institution building and bringing about a radical change in the administrative framework, from the traditionalist approach, to handle and create socio-economic and political development and social change. In essence the objective of Administrative development are building decision making capabilities; development of skill and specialization to tackle complex issues in the personnel; giving importance to training, effective use of technology to bring about change in Administrative approach; increasing administrative capacity, capabilities, removing corruption and bringing in more accountability; and creating leaders out of bureaucrats for promotion of development initiatives.

To achieve development goals it is necessary to that there is proper planning, optimum utilization of resources, skilled personnel, accountability in actions and words, self-reliance and emphasis on technology. At the same time we need to develop the bureaucracy, innovativeness, build

capabilities, integrity and decentralized decision making. So, Administrative development and Administration of Development both are important for the effective development of Society.

In short, almost all the countries in the world have become welfare States. They are implementing lot of developmental programmers for the welfare of the people. The administrative machinery evolved to implement the police functions is not suited to implement the development programmers. Therefore, Development Administration, which is concerned with evolving a suitable machinery to implement the development programmers, has been added as an important area of the study of Public Administration.

Comparative Public Administration

Comparative public administration focuses on Public Administration as a field of study and research rather simple execution of tasks. Haroon A. Khan defined the Comparative Public administration as a quest for searching patterns and regularities in administrative behavior and action and to characterize them in present day nation states. It is interesting to note why and how Public Administration has gained a place in the field of study. Woodrow Wilson is credited for his writing *The Study of Administration* and perhaps this was a starting point in the United States, in other countries like India, Germany Public Administration was known long back owing to influences of Arthashastra and Kameralwissenschaft. Later half of twentieth century saw many improvements and bureaucratic internationalization between European countries in reference to Euro-zone and also to all other countries of the world with transnational organizations like World Bank, Interpol and International Court of Justice.

These changes which came about after 1960s were basically administrative reforms implemented by the legislative to make administration more decentralized, accountable and efficient. But, on the other hand some other reforms were pushed aimed at giving more control to policy makers of the bureaucracy while avoiding all the responsibilities. It was imperative to look how these two different situations affected Administration as a whole in different countries. The best way to look at this was through scientific study of comparative public administration. It is also a way to identify best practices in Public Administration so as to achieve maximum result most efficiently and to build a solid organizational structure and processes.

It will be wise to understand here that simply importing those practices which have served well in other countries will not suffice, since people in general are different and they react different to same stimuli. So, what works best in one country might not work at all in other countries.

Most commonly used model for Comparative study has been to compare and contrast western and non-western methods and styles. This model has created dualistic concepts like diffused - specific, universalistic - particularistic, etc and often tends to favor one end of spectrum towards another. But, these do not help in study of development or how to increase quality of life in third world countries. The other and better method used is called description. It is more suitable for cross-cultural analysis as it relies on facts of a situation and get at the all-important aspect of context. But, it too cannot be used directly as a solution to problems faced by other societies. All the other frameworks deals with certain units of analysis or tools which help in gathering and categorizing facts efficiently. They are individuals, groups, organizations and bureaucracy. The analysis of the individuals includes the study of behaviors of officials, leaders and elites. The analysis of groups includes the study of social movements of parties and interest groups. The analysis of organizations includes the study of functions and capacities of cities and regions. The analysis of bureaucracy includes the study of the efficacy and performance of whole government executive branch.

Clearly within the last decade there has been a very significant rise in Comparative Public Administration as results obtained through it are if nothing, interesting. Many international organizations have come forward and joined their hands in Comparative Public Administration. For example, The international Public Management Network includes individuals from many countries and they publish international public management journal to provide a forum for sharing ideas, concepts and results of research and thinking about alternative approaches to problem solving and decision making in public sector.

Thus, the scholars of Public Administration have included Comparative Public Administration as an important area in the study of Public Administration. As a result, comparing the different administrative systems and identifying the merits and demerits, there is a possibility to evolve a suitable administrative system for a country by incorporating the merits and avoiding the demerits in the administrative system.

Ecology of Public Administration

Ecology in public administration was primarily introduced by Professor John M. Gaus, one of the early pioneers of public administration. In his introduced concepts, he emphasized that the public administration including its development as well as its activities were influenced by its setting or ecology. According to Gaus, the plans, programs, policies, and design of public administration is influenced by factors concerning the physical environment or ecology, and that any structure and living thing existing in a given area has an interrelationship with the surrounding

environment. In practice, this concept means that when building a structure, an individual must plan all aspects of the construction, from the materials needed for the structure, the actual area where it will be constructed in relation to the people residing in the area and the physical environment existing. This concept also means understanding the impact of the structure to the social relationships of people in that area and what specific technologies are being used and how it influences and impacts the inhabitants of that environment.

Ecology thus pertains to interrelationships of living organisms and their environment. Ecological approach to public administration thus includes elements of the environment – the place, the individuals, the physical and social technology as well as the relationships of these elements. It is essential to note that Gaus has translated ecology – the complex structure and connections with each other of living things that are in a specific area of the public administration project – into a lens by which to analyze the project's impact. And the means by which he applied this is directed to raise awareness of ecological factors that permits administrators to respond more wisely and appropriately to the demands and challenges of the external environment of their organizations.

Gaus also viewed the ecological concept in public administration as a means to devise a new and renewed institutional pattern for individuals. With such concepts, the ecological aspect of administration reflects a crucial role in understanding and directing the forceful change in public administration. A more sensitive and conscious approach to ecological factors allow the public administrators to provide a more appropriate response to challenges within and beyond their organization. If applied properly, this approach can serve as a diagnostic tool for the public administrator and can provide standards for evaluating impact on an organization. Ecology can aid the practitioner in visualizing the major elements in the administrative processes and provide a specific standard for measuring impact in an organization.

For Gaus, merging public administration with the concept of ecology helps in establishing a more novel way of conducting things and is actually related to the concept of change. He looked to public administration to find some new sources of content and opportunity for public administrators to emphasize some influence on the situation in which they find themselves. He believed in applied social science, that through an ecological approach to public administration, the new and renewed institutional pattern could be devised for individuals living in an age of change. Ecology in public administration became a vital instrument for comprehending, directing, and modulating the forceful change in the public administration. Through this application, public administrator can be active in the wider ecological approach to make change in strategic management and planning of public serving organizations.

This practice is clearly manifested in the management of ecosystems. The fragility of ecosystems that are threatened by construction of buildings and other public administration projects are now systematically addressed using the principles laid out by Gaus. One aspect of this situation is the dwindling of some species brought about by the disturbance of their natural habitat and ecosystems. Another aspect of this case also reflects the industries that are conceptualized and built by man and which have led to the threat of climate change. The gravity of the perceived threat of global warming has moved scientists and policymakers to recognize that sufficient measures to sustain ecosystems must be ensured by substituting the governmental jurisdiction as the major institutional level for implementation.

Due to this developments, the politics as well as the policy of natural resources management are experiencing drastic transformation. The dominant aspect of resource management has been focused around property ownership, or jurisdictional domain which is mainly concepts that originated from the West. But now, resource management is also organized around the parts of the whole ecosystems such as individual resources, wildlife, or commodities (Elfin 2004, 304). Hence, there is now a more comprehensive view of managing resources in the context of building public administration projects or even structures in general. Another factor that influences public projects from the point of view of ecology is the question of sustainability. Discussing resource sustainability reflects the issue as among the most poorly understood within the ecosystem planning and management process. The ecosystem approach confronts the political process by asserting a participatory process in which all interested key players are able to participate to achieve an effective and integrated ecosystem management while recognizing the role of individuals as part of the ecosystem.

The points discussed about ecology of public administration make it clear that administrative system is part of a political system. Political system differs from one another. A detailed study of the administrative systems within the framework of the political systems will provide an opportunity to evolve suitable administrative systems, similar to that political system. Therefore, Ecology of Public Administration has become an integral part of the study of Public Administration.

International Public Administration

International public institutions play a cardinal role in the administration of world affairs. Their existence originates from the desire of independent states to co-operate and coordinate with one another in almost every important sphere of life. This desire is attributed to the fact that the modern world is inextricably interdependent and international. International public

administration which facilitates policy implementation is both an essential activity and a field of academic study and thus, therefore, forms part of the domain of Public Administration. Some scholars maintain that the history of international co-operation can be traced back to the time when men started to live in political communities, and it is against this background of international cooperation that the origin and purposes of international public institutions must be viewed. However, different methods, each with identifiable approaches, can be applied in the study of international public institutions. The classification of such institutions is complex and problematic, and the search for a generally accepted classification still continues.

International organizations are implementing welfare programmes for the benefits of the weaker sections of the people of the different countries of the world. Evolving suitable administrative machinery in different countries to implement the international programmes has necessitated including international Public Administration as the part of the study of Public Administration.

Public Administration and Private Administration

In fact, a group of administrative thinkers like Henry Fayol, Mary Parker Follett, Lyndall Urwick do not make a distinction between public administration and business administration. They maintain the view that all administration, whether public or business, is one and possess the same basic features. For example, Fayol says, "The meaning which I have given to the word administration and which has been generally adopted, broadens considerably the field of administrative science. It embraces not only the public service, enterprises of every size and description, of every form and every purpose. All undertakings require planning, organisation, command, coordination and control, and in order to function properly, all must observe the same general principles. We are no longer confronted with several administrative sciences, but with one which can be applied equally well to public and private affairs."

Similarly, Urwick says, "It is difficult to contemplate seriously a biochemistry of bankers, a physiology of professors, or a psychopathology of politicians. The attempt to subdivide the study of management or administration in accordance with the purpose of particular forms of undertaking seems to many authorities equally misdirected."

The specific similarities between public and business (private) administration are as below.

- (a) The managerial techniques and skills of planning, organizing, coordinating, controlling, and so on are same in both.
- (b) Both have uniformity in accounting, filing, statistics, stocking, and so on.

- (c) Both are organized on the basis of principle of hierarch, that is, scalar chain.
- (d) Both are being influenced by the practices and standards of each other. Thus, J. M. Pfiffner and Robert Presthus have described the emergence of public corporation as “a half way house between its commercial prototype and the traditional governmental department.”
- (e) Both have similarities so far as the problems of organisation, personnel and finance are concerned.
- (f) The similarity between public administration and business administration is demonstrated by the fact that there is a mutual exchange and rotation of personnel between the two disciplines.

Similarities between Public and Private Administration

What the exponents of the scientific administration approach called the content of administration [POSDCORB, P = planning, O = organizing, S = staffing, D = directing, CO = coordinating, R = reporting, and B = budgeting, for example] is the common field of Public Administration and Business Administration. By this it has to be understood that by „common“ it is not meant „exactly the same.“ Yes, it is true that both subjects are concerned with such processes as: policy-making; organisation; planning; and control; both are called upon to test, recruit, appoint and promote personnel; both require financial resources. Certain methods of handling material are also common to both subjects, for instance, case studies, games theory, quantification, use of computers and so on.

Today, Public Administration and Business Administration have much to teach each other, though neither need dominate the other. Knowledge cannot be exchanged, however, except in the area of specific techniques (hardware), for example, work study (organisation and methods, time and motion), methods of enquiry with a view to the generation and collection of data, organisation and structuring. Both Public Administration and Business Administration utilize the same auxiliary (or intra-generic) subjects, such as planning, communications, operations research, mathematical and statistical methods, and the theory of probability.

Differences between Public and Private Administration

In respect of milieu, aims and values, there is a marked difference between Public Administration and Business Administration. By saying that in this connection “.....familiarity may breed blindness,” that is, what is meant by the term Business Administration here, is sometimes also loosely referred to as Business Economics or just Management; Dwight Waldo [1956: 131] means that the generic aspects of administration are significant only in their specific institutional context; in other words, when they are oriented towards certain aims and values.

Public administration refers to the administration which operates in the governmental setting. Business (Private) administration, on the other hand, refers to administration which operates in the non-governmental setting, that is, business (private) enterprises. Hence they are also known as governmental administration and business administration respectively.

Public administration is different from private administration in terms of the environment (that is, institutional setting) which it operates. Paul H. Appleby, Sir Josia Stamp, Herbert A. Simon and Peter Drucker, unlike H. Fayol, M.P. Follett, and L. Urwick, beautifully made a distinction between public administration and private administration.

According to Paul H. Appleby public administration is different from private administration in respect of political character, breadth of scope, impact and consideration and public accountability.

According to Josia Stamp public administration differs from business administration in four aspects. They are principle of uniformity, principle of external financial control, principle of public responsibility and principle of service motive.

According to Herbert A. Simon, the distinction between public administration and private administration lies in the popular imagination which relates to three points. They are public administration is bureaucratic, whereas private administration is business-like; public administration is political, while private administration is non-political; and public administration is characterized by red-tape, while private administration is free from it.

According to Peter Drucker, public administration (service institution) is basically different from private administration (business institution). To quote him, "It is different in its purpose. It has different values. It needs different objectives. And it makes a different contribution to society. „Performance and results“ are quite different in a service institution from what they are in a business institution. „Managing for performance“ is one area in which the service institution differs significantly from business institution."

Conclusion

In this lesson an attempt has been made to explain the meaning and definition of Administration and Public Administration, the nature and scope of Public Administration, the scope of Public Administration after 1960's and the differences between Public and Private Administration. With the inclusion of new areas in the study of Public Administration during 1960's the study of Public Administration has become much richer and it has been introduced as an important discipline in the colleges and universities of the different countries of the world.

Public administration runs in a governmental setting, and that is why it is also known as government administration. On the contrary, the private administration is a business process, hence considered as business administration. Both of them play a crucial role in contributing towards the development of the society in different ways. Moreover, the measurement of performance, progress and results thereof, can be done using different methods.

Principles of Organisation

The fundamental guidelines and values that shape the organisation's culture and decision-making processes are called organisation principles. These organisation principles define the mission and vision of the organisation, the strategic planning process, and the organisational structure.

The principles of organisation principles are essential for achieving the goals and objectives of the organisation efficiently and effectively.

By following the principles of organisation, companies can maintain a clear focus on their goals and work collaboratively to achieve them.

The principles of organisation provide a framework for decision-making, resource allocation, and operational processes.

Meaning of Organization

Organization is the foundation upon which the whole structure of management is erected. Organization is associated with developing an outline where the overall work is divided into manageable components in order to facilitate the achievement of objectives or goals. Thus, organization is the structure or mechanism that enables living things to work together. In a static sense, an organization is a structure or machinery manned by group of individuals who are working together towards a common goal. Examples of organization are Corporations, governments, non-government organizations, armed forces, non-profit organizations etc.

The term organization has been used in four different senses;

1. **Organization as Framework of Relationships:** Organization refers to the structure and interactions among various job positions which are created to realize certain objectives.

2. **Organization as a process:** Organization is viewed as a dynamic process and a managerial activity which is vital for planning the utilization of company's resources.
3. **Organization as a System:** Organization is also viewed as a system. System concepts recognize that organizations are made up of components, each of which has exclusive properties, abilities and reciprocated associations. The constituent elements of a system are linked together in such complex ways that actions taken by one individual have far reaching effects on others.
4. **Organization as a Group of Persons:** Organization is very often viewed as a group of persons contributing their efforts towards certain goals.

Definitions of Organization

- “Organizations may be defined as a group of individuals large or small there cooperating under the direction of executive leadership in accomplishment of certain common object.” – Keith Davis
- “Organization is a system of cooperative activities of two or more persons.” – Chester Barnard
- “Organization is the form of every human association for the attainment of a common purpose.” – Mooney and Reily
- “Organization is a harmonious adjustment of specialized parts for the accomplishment of some common purpose or purposes.” – Haney
- “In its broadest sense, organization refers to the relationship between the various factors present in the given endeavor. Factory organization concerns itself primarily with the internal relationships within the factory such as responsibilities of personnel arrangement and grouping of machines and material control. From the standpoint of enterprise as a whole, organization is the structural relationship between various factors in an enterprise.”- Spriegel

Need / Importance of Organization

A renowned industrialist of U.S.A, Andrew Carnegie when sold his company ‘United States Steel Corporation’, showed his confidence in organization by saying “Take away our factories, take away our plants, our avenues of transportation, our money, leave nothing but our organization and we shall establish better factories.” Since ages and all walks of life, organization has been playing a significant role. The importance of organization is as stated below.

1. **A tool for achieving objectives:** Organization is an important tool in the hands of management for accomplishing the objectives of an enterprise.
2. **It facilitates administration and management:** A sound organization increases efficiency, avoids duplication of work, avoids delay in work, improves managerial skills and motivates employees to perform their duties.
3. **It ensures optimum use of human resource:** Good organization establishes individuals with interests, knowledge, skills, abilities and viewpoints.
4. **It enhances creativity:** A well-conceived and comprehensive organization is the source of creative thinking and initiation of new ideas.
5. **Prevents Corruption:** Enterprises which lack sound organization most of the times have problem of corruption. Sound organization helps to prevent corruption by raising morale of the employees. As a result of which employees are encouraged to work with higher efficiency, commitment and honesty.
6. **Fosters growth of enterprise:** Good organization plays a key role not only in growth but also in the expansion and diversification of an enterprise.
7. **Eliminates overlapping and duplication of efforts:** In a situation, where the distribution of work is not clearly identified and the work is performed in a haphazard manner there will be duplication and overlapping of efforts. As a good organization requires that the work be clearly assigned amongst employees, such overlapping and duplication is to be eliminated.
8. **Coordination:** Various jobs and positions are linked together by structural relationship of the organization. The organizational process exercises its due and balanced emphasis on the coordination of different activities.

Principles of Organization

For timely and systematic completion of work it is must for every organization to adopt some techniques or principles. Thus these principles would be the deciding factor for the success or failure of an organization.

1. **Principle of Objective:** All the enterprises whether large or small, set certain central objectives. Every element of the organization and organization as whole should be geared to the central objectives identified by the enterprise.

2. **Principle of Specialization:** Precise division of work facilitates specialization. According to this principle, division of work among the employees should be based on their knowledge, skills, abilities, capabilities and interests. This would lead to specialization which would in turn lead to efficiency, quality and elimination of wastage of resources.
3. **The Scalar Principle:** This principle is sometimes referred to as the chain command. There must be clear lines of authority running from the top to bottom of the organization and linking all the individuals in the organization.
4. **The Principle of Authority:** Authority is an important ingredient of the organization structure. It is the tool by which the manager can create an environment where an individual can perform with greater efficiency.
5. **The Principle of Span of Control:** This principle states that there is a limit to the number of subordinates that report to one superior. Supervision of too many people can lead to trouble and confusion. Also the superior will not be able to spare time to supervise each of his subordinate. It will also lead to increased complexity of the organization structure. The span of control depends upon a number of considerations. It is easy to supervise a large number of subordinates involved in routine jobs and working in the same room, whereas it is difficult to supervise highly diverse and specialized personnel scattered widely. The ability of the employee, their willingness to assume responsibility and the attitude of management towards delegating and decentralization should also be analyzed in detail while making a decision on span of control.
6. **The Principle of Unity of Command:** This principle is basically about avoiding dual reporting. It states that every individual employee working in the organization should be kept in the supervision of one boss only. This principle eliminates the possibility of conflicts in instructions and fosters a feeling of personal responsibility for work.
7. **The Principle of Definition:** Each individual in the organization should be made aware about his / her responsibilities, duties, authorities and relations with the other job positions in the organization structure.
8. **Principle of Unity of Direction:** The basic motive for the existence of organization is the attainment of certain objectives. Major objectives should be split into functional activities and there should be one objective and one plan for each group of people.
9. **The Principle of parity of Authority and Responsibility:** The responsibility for execution of work must be accompanied by the authority to control and direct the means of doing the work.
10. **The Principle of Supremacy of Organizational Objectives:** The organizational goals and objectives should be given wide publicity within the organization. The people contributing to it

should be made to understand that enterprise objectives are more valuable and significant and one should give higher priority to organization's objectives in comparison to personal motives.

THEORIES OF EDUCATIONAL ADMINISTRATION

Administrative theories are discussed in the historical framework of four models.

These are Classical organizational theory, the human relations approach, the behavioural science approach and the last is post-behavioural Science era.

Scientific Management Theory

The theory of scientific management is the brainchild of Frederick Winslow Taylor.

This theory emphasized on management of work and workers. In its simplest form, the theory follows the idea that there is one best way to do a job and that is to use scientific method. In his view, if a task is scientifically managed it will increase the productivity by increasing efficiency and wages of workers. Scientific management in terms of time study standards, separation of administrative and employee duties and incentive systems would correct the performance of labors.

The main features of this theory are:

- It finds out best method for performing each job.
- It selects employees by using scientific selection procedure.
- It believes in having close relationship with management and employees.
- It uses division of labour.
- It tries to produce maximum output by fixing performance standards for each job and by having a differential piece rate system for each job for payment of wages.

This theory is based on certain principles. In the year 1911, Taylor gave four principles for scientific management:

1. **Scientific Job Analysis:** Job should be analyzed through observation, data gathering, careful measurement and management. Such job analysis will replace the old rule-of-thumb method.

2. **Selection of Personnel:** Once the job is analyzed, the next step is to scientifically select, train, teach and produce workers. Previously, workers chose their own work and train themselves.
3. **Management Cooperation:** Managers should cooperate with workers to ensure that all work being done should be in line with the principles of Science i.e. scientific method.
4. **Functional Supervising:** Managers assume planning, organizing, and decision-making activities, whereas workers perform their jobs. In the past, almost all work and the greater part of the responsibility were thrust on workers.

Besides above mentioned principles, Taylor has also given two more Principles of scientific management.

1. Performance Standards: Taylor introduced time and motion studies to fix performance standards. For bringing uniformity of work, he fixed performance standards for time cost and quality of work. As a result, the efficiency of workers could be compared.

2. Differential Piece Rate System: Under differential piece rate system, a standard output was first fixed. Taylor studied that workers did as little work as possible. He felt that under existing wage system, an efficient worker gained nothing extra. Then two wage rates were fixed. These are:

- Low wage rate was fixed for those workers who did not produce the standard output.
- Higher wage rate was fixed for those workers who produced standard output or more than the standard output.

By adopting such a system of wage rate, inefficient workers will try to improve their efficiency and efficient workers will be motivated to maintain or improve their production capacity.

Administrative Management Theory

Scientific management focuses on jobs of individual workers, whereas administrative management theory concentrates on the administration of entire organization. This theory is related to the issues of structure and management of organization. Henri Fayol, Luther Gulick and Max Weber are the major contributors in the field of administrative management theory.

According to Fayol, all managers perform basic functions of management. These are:

- Planning
- Organizing
- Commanding
- Coordination
- Controlling

Besides the five basic management functions, Fayol has also identified principles of management and these are:

- Division of Work
- Authority
- Discipline
- Unity of command
- Unity of direction
- Subordination of individual interest
- Centralization
- Scalar chain
- Order
- Equity
- Stability of personnel and

- Initiative

These principles emphasize chain of command, allocation of authority, order, efficiency, equity and stability.

Max Weber also recognized the importance of these factors. Luther Gulick another classical theorist coined the term POSDCORB that refers to seven functions of management. These functions are planning, organizing, staffing, directing, coordinating, reporting and budgeting.

Planning: It involves developing an outline of things that must be accomplished, and methods for accomplishing them.

Organizing: it establishes the formal structure through which work divisions are arranged and coordinated to implement the plan.

Staffing: it involves the function of selecting and training the staff, maintaining the favorable and congenial conditions for the enhancement of professional efficiency of staff.

Directing: it includes continuous task of making, communicating and implementing decisions.

Coordinating: it includes all efforts that are needed to bind together the organization in order to achieve a common goal.

Reporting: it includes verification of progress through records, research and inspection. It insures that things happen according to the planning.

Budgeting: it involves all the activities that accompany budgeting, including fiscal planning, accounting and control.

Critical Educational Administration Theory

Critical Educational Administration theory assumes the existence of both objective and subjective knowledge of an objective and unordered reality. So it incorporates the methodologies of both the objective and subjective perspectives. This theory positing the existence of objective reality and subjective knowledge of reality. Reality is viewed

as being in a constant state of change. Because of this change, laws are not sought by the critical theorist. Critical educational administration theory provides a means whereby school leaders can understand and ultimately disentangle themselves from the external and internal forces which impose upon educational practice. As Hoy in the year (1994) clarified: “Critical theory attempts to raise people’s consciousness about their living and working condition through logic and debate, but in the process it relies on the generation and analysis of ideologies”. Critical theorists elaborate the values and practices within schools which maintain the ideological perspective of schools. Topics such as curriculum, teaching and student issues display the inherent social values in the schooling process.

Human Relations Approach

The human relations approach is considered to have started with a series of studies known as Hawthorne studies that have strongly influenced administrative theory. Mayo and his associates were not the only contributors to the human relations approach. There were a number of strong intellectual currents which influenced the human relations movement during this period. Kurt Lewin emphasized field theory and his research was known as group dynamics. His associates concluded that democratic groups, in which members actively participate in decisions, are more productive in terms of both human satisfaction and achievement as compared to authoritarian groups. The writings of Jacob Moreno made a substantial contribution to the human relations movement. Like Lewin, Moreno was interested in interpersonal relations within groups. He developed a sociometric technique, where people have selective affinities for other people, groups composed of individuals with similar affinities for one another will likely perform better than groups lacking such affective preferences. In the similar way the human relations approach made relationships between employees and supervisors, the most salient aspect of management. It advocates the training of people in behavioral sciences, such as clinical and social psychology to emphasize building collaborative and cooperative.

Relationships between supervisors and workers. Two key aspects of human relationships approach are employee motivation and leadership style.

The major assumptions of the human relations approach include the following ideas:

- Employees are motivated by social and psychological needs and by economic incentives.
- These needs, including but not limited to recognition, belongingness and security, are more important in determining worker morale and productivity than the physical conditions of the work environment.
- An individual's perceptions, beliefs, motivations, cognition, responses to frustration, values and similar factors may affect behavior in the work setting.
- People in all types of organizations tend to form informal social organizations that work along with the formal organization and can help or hinder management.
- Informal social groups within the workplace create and enforce their own norms and codes of behavior. Team effort, conflict between groups, group loyalty, communication patterns, and emergent leadership are important concepts for determining individual and group behavior.
- Employees have higher morale and work harder under supportive management which lead to increased productivity.
- Communication, power, influence, authority, motivation, and manipulation are all important relationships within an organization. In this approach, field study methods as well as laboratory experiments were used to study the work environment and to understand the employee behavior in the workplace.

Role of Civil Services in Democracy

In a democracy, the civil services play an extremely important role in the administration, policy formulation and implementation, and in taking the country forward towards progress and development.

Democracy is an egalitarian principle in which the governed elect the people who govern over them. There are three pillars of modern democracy:

1. Legislature
2. Executive
3. Judiciary

The civil services form a part of the executive. While the ministers, who are part of the executive, are temporary and are reelected or replaced by the people by their will (through elections), the civil servants are the permanent part of the executive.

- The civil servants are accountable to the political executive, the ministers. The civil services are thus, a subdivision under the government.
- The officers in the civil services form the permanent staff of the various governmental departments.
- They are basically expert administrators.
- They are sometimes referred to as the bureaucracy or also the public service.

Historical Evolution of Civil Services

In India, the idea of a systematic public administration system has been in place since ancient times.

- The Mauryan administration employed civil servants in the name of adhyakshas and others. See more on [Mauryan administration](#).
- Chanakya's Arthashastra reveals that the civil servants were recruited on the basis of merit and excellence and that they had a stringent investigation method.
- In the Mughal period, there were state officers who took care of the land revenue system.
- In modern times, the [East India Company](#) had a civil service to do their commercial activities.
- The British government in India established the civil services chiefly with the aim of strengthening their control over their Indian possessions.
- In 1800, Lord Wellesley, the Governor-General of India from 1798 to 1805, established the College of Fort William where every worker of the Company was sent for a three-year course. They were taught international law, ethics, Indian history and eastern languages, etc.

- The East India Company College was established in Hertfordshire, near London to train members of the civil service.
- In post-independence India, the civil service was reorganised.
- During the British Raj, law and order enforcement, and collection of revenue were the major concerns of civil services officers.
- After independence, when the government assumed the role of a welfare state, civil services acquired an important role in executing national and state policies of welfare and planned development.

Importance of the Civil Services

1. The civil service is present all over India and it thus has a strong binding character.
2. It plays a vital role in effective policy-making and regulation.
3. It offers non-partisan advice to the political leadership of the country, even in the midst of political instability.
4. The service gives effective coordination between the various institutions of governance, and also between different departments, bodies, etc.
5. It offers service delivery and leadership at different levels of administration.

Functions of Civil Services

- **Basis of Government:** There can be no government without administrative machinery.
- **Implementing Laws & Policies:** Civil services are responsible for implementing laws and executing policies framed by the government.
- **Policy Formulation:** The civil service is chiefly responsible for policy formulation as well. The civil service officers advise ministers in this regard and also provides them with facts and ideas.
- **Stabilising Force:** Amidst political instability, the civil service offers stability and permanence. While governments and ministers can come and go, the civil services is a permanent fixture giving the administrative set up a sense of stability and continuity.
- **Instruments of Social Change & Economic Development:** Successful policy implementation will lead to positive changes in the lives of ordinary people. It is only

when the promised goods and services reach the intended beneficiaries, a government can call any scheme successful. The task of actualising schemes and policies fall with the officers of the civil services.

- **Welfare Services:** The services offer a variety of welfare schemes such as providing social security, the welfare of weaker and vulnerable sections of society, old-age pensions, poverty alleviation, etc.
- **Developmental Functions:** The services perform a variety of developmental functions like promoting modern techniques in agriculture, promoting the industry, trade, banking functions, bridging the digital divide, etc.
- **Administrative Adjudication:** The civil services also perform quasi-judicial services by settling disputes between the State and the citizens, in the form of tribunals, etc.

Constitutional Provisions Related to Civil Services

- As per Articles 53 and 154, the executive power of the Union and the States vests in the President or Governor directly or through officers subordinate to him. These officers constitute the **permanent civil service** and are governed by **Part XIV of the Constitution** (Services under the Union and States (Article 308-323)).
- **Government of India (Transaction of Business) Rules:** The manner in which the officers are required to help the President or Governor to exercise his/her executive functions is governed by these Rules.
- Article 311 – Dismissal, removal or reduction in rank of persons employed in civil capacities under the Union or a State.
- Article 312 – All India Services.

Accountability of a Civil Servant

The civil servants are responsible to the ministers of the departments in which they serve. The ministers are accountable to the people through the Parliament or State Legislatures, and the civil servants are accountable to the ministers. They should ideally serve the elected government of the day, as government policies are the functions of the civil services. However, an impartial civil servant is also accountable to the Constitution of India on which he has taken an oath of allegiance.

Problems Affecting Civil Services Today

- Lack of professionalism and poor capacity building.
- An ineffective incentive system that does not reward the meritorious and upright civil servants.
- Rigid and outmoded rules and procedures that do not allow civil servants to exercise individual judgement and perform efficiently.
- Lack of accountability and transparency procedure, with no adequate protection for whistle-blowers.
- Political interference causing arbitrary transfers, and insecurity in tenures.
- An erosion in ethics and values, which has caused rampant corruption and nepotism.
- Patrimonialism (a form of governance in which all power flows directly from the leader).
- Resistance to change from the civil servants themselves.

How the Indian civil service is different from the American model?

In India, bureaucracy or civil services is permanent and does not change with the government. The recruitment is based on merit and through competitive exams. This is in contrast to the system followed in the US, where civil servants, especially in the higher echelons, change with the government. This is called the **spoils system** where people who are close to the government of the day get posts.

Basis of Governance

- The main role of Civil Services is in transformation policies from on paper to grass root level. Like Government forms policies at the top level then these policies have some programmes for achieving specific targets and for achieving said objectives and targets these programmes transformed into projects and then to task at very micro level. The role of Bureaucracy nowadays is becoming very crucial as now the government is looking to reduce its role to just “regulator, mediator, underwriter, provider of services, promoter of national standards of decent living and economic and social diagnostician and repairman”.
- Be it any political system parliamentary or Presidential, Democratic or Communists all these countries or political systems need Regardless of their political system (democratic or communist), all countries require administrative apparatus to carry out policy.

- **Policy Making and Policy Implementation and Collection of Relevant Data:** Policymaking demands the collection of relevant data and information to identify core issues. Civil servants owing to their diverse knowledge and expertise provide relevant data for substantiating policy proposals.
- **Think-Tanks of the Government:** Since civil servants work on ground realities, they well understand the problems and their likely solutions. Their diverse knowledge and experience are then put to use by assuming the role of think tanks of the government.
- **Policy Formulation:** Bureaucrats create and rephrase policy ideas based on their knowledge, experience, and understanding of public affairs, taking into account various aspects of the constitution, laws enacted by parliament, and other existing rules and regulations.
- **Implementing Laws and Policies of the Government:** Civil servants regulate the behaviour of the people by implementing laws and policies. Civil services provide the administrative machinery through which the development objective of the government is achieved.
- **Provisioning Services to the People:**

Maintaining law and order. Example: Prevention of organised crime, hate crimes, maintain peace and harmony among various sections of the society.

Protection of the environment against pollution, illegal cutting of forest, illegal sand mining, or other unauthorised extraction of natural resources.

Management of public enterprises in order to achieve socio-economic equality. Between 1995 and 2012, E.g., E. Sreedharan, a civil engineer, is credited with changing the face of public transportation in India with his leadership in the construction of the Konkan Railway and the Delhi Metro while serving as managing director of the Delhi Metro Rail Corporation (DMRC).

- **Welfare Services:** Civil servants ensure the welfare of the people by implementing various government schemes such as MGNREGA, Beti Bachao Beti Padhao, PM Garib Kalyan Yojana, PM Matru Vandana yojana, and so on. Most importantly the efforts and level of the administrative system worked in Pandemic/ Covid-19.
- **Maintain Continuity in Administration:** Being a permanent executive, Bureaucracy is called as steel frame hence even after change in government after every 5 years. For example, when the

President's rule imposed in any state under the A-356 Governor carries out administration with aid and help from the Chief Secretary of the state and as usual other officials and staff.

- **Important Functions Carried Out by the Civil Servants:**

⇒ In every ministries/ department policy and work is carried out by the civil servants.

⇒ Management and administration of financial operations like collection of taxes (both direct and indirect) etc is one of the key responsibilities of the Bureaucracy.

⇒ With various organisational methods for reforms has been used for efficient and effective administration also they perform various responsibilities like performing administrative adjudication and tribunals etc.

Budget Related Processes

1. Introduction to Budgetary Processes

Government budget processes are complex, and though a budget is drawn up for one year, known as financial year, the budgetary process itself generally runs over more than one financial year and involves many stages. This section provides details on the four major stages of the budgetary process.

As India is a federal country, and has a three-tier governance structure, Governments at the Union, State, and local level each have their own budgetary processes. All three, though, follow the same financial year, which runs from April to March.

Keeping in mind the multi-stage budgetary process, and the three-tier governance structure, this chapter has been divided into four sections:

1. The four stages of the budgetary process
2. The budgetary process of the Union Government
3. The budgetary process of State Governments
4. The budgetary process of Local Governments

2.The Four Stages of The Budgetary Process

A budget generally contains details of where money comes from and where it goes. A Government budget, however, is a far more complex and detailed document. It reveals what policies the Government has formulated for the country, how the Government plans to tackle various socio-economic challenges, what outcomes it hopes to achieve by the end of the fiscal year, and many other things. Given that the budget has to serve myriad objectives; the entire budgetary process is a lengthy affair. Broadly, a Government's budget-related processes can be divided into four distinct stages:

1. Formulation or preparation
2. Enactment or legislative approval
3. Implementation or execution
4. Audit or review

All four stages are discussed in detail in this section.

Formulation

The first stage of the budgetary process takes place completely with the executive branch of Government, and can include numerous actors within the branch. At this stage the parameters of the budget are set and decisions are taken about how the revenue generated will be distributed across programmes and activities. The outcome of this process is the proposed budget, which is essentially the action plan of the Government for the coming fiscal year, as well as a statement of the Government's priorities and commitments.

The formulation of the annual budget generally happens behind closed doors, but occasionally, the Government engages in consultations with different stakeholders such as subject matter experts, businesses, trade groups, labour Unions, civil society organisations, etc.

Enactment

This step refers to the presentation of the budget in Parliament/the State Assembly by the finance minister.

The budget presentation highlights the priorities of the Government, as well as its policy choices. Approval by the legislature is required for two different items:

- The Finance Bill
- The Appropriation Bill

The Finance Bill provides the Government legal authority to raise resources, mainly through taxation. The Appropriation Bill, on the other hand, provides the Government legal authority to incur expenditure as stated in the budget and approved by the legislatures. According to the Constitution, no expenditure can be incurred from the 'Consolidated Fund of India' without authorisation of legislature and passing of the Appropriation Bill.

Implementation

The stage refers to the Government implementing the budget proposals, i.e., raising resources as envisioned in the budget, as well as incurring expenditure according to the budget.

The receipts in the budget are estimates, and actual collections are often different from the estimates. In such cases, one part of implementation also requires balancing receipts and expenditure throughout the year to meet the deficit targets mentioned in the budget.

On the expenditure side of the budget, the key issues are whether the expenditure is likely to be within the budget figure, whether changes in expenditure priorities (as against past patterns) are being implemented in specific areas as planned, and whether problems are being encountered in budget execution, such as the build-up of payment arrears.

Audit

Public financial management and good practices of budgetary control require that a body that is independent from the executive evaluate the Government's budget execution and issue an annual audit report. The institution vested with this responsibility is often referred to as the supreme audit institution (SAI) or the office of the Auditor and Comptroller General of India. The basic purpose behind the audit is to make sure the Government is following the rules and regulations governing the overall processes related to raising money and expenditure. These reports help in holding the Government accountable and also help in improving budgetary processes.

3. Budgetary process of the Union Government

The Union budget of India is presented in Parliament on the 1st of February every year, but this presentation is preceded and succeeded by elaborate processes through which the budget is formulated, implemented and audited. This section lays out the processes, institutions and actors involved in each of these stages, and details when each stage occurs.

Formulation

The process of budget formulation starts in the last week of August or the first half of September every year. To get the process started, the Budget Division in the Department of Economic Affairs, under the Ministry of Finance, issues the annual 'Budget Circular' to all Union Government ministries/departments /agencies / institutions around August / September. The Budget Circular contains detailed instructions / guidelines for these ministries/departments / agencies on the form and content of the statement of budget estimates to be prepared by them.

The Expenditure Department of the Finance Ministry calls for projected expenditure in October, under the following heads

1. Actual expenditure of the previous financial year
2. Original budget estimates for the current financial year
3. Revised estimates for the current financial year
4. Budget estimates for the next financial year.

This is followed by a series of bilateral discussions between the Ministry of Finance and major stakeholders (Expenditure Ministries / Departments) such as the Ministry of Health Ministry of Education, Ministry of Rural Development and Panchayati Raj and so on.

In November / December, the Finance Minister starts a series of consultations with sectoral representatives such as economists, farmers, small-scale industries, exporters, industrialists, trade unions, social sector experts and so on. The objective of this exercise is to get their inputs as well as a sense of their expectations on the expenditure side and on the tax issues.

The first part of the budget to be finalised is the expenditure budget, and this generally happens in January every year.

Sometime in January, the Finance Minister asks for the first “blue sheet” from the Budget Division. The blue sheet is essentially a single sheet of paper with the broad numbers: how much expenditure is needed; how much revenue is expected; what the deficit will look like. This is only the first of many blue sheets. Each blue sheet is discussed by the Budget group and destroyed the day the discussion on it ends. No record of these sheets is maintained.

The Budget group has a core team of five members: the Finance Minister, Finance Secretary, Revenue Secretary, Expenditure Secretary and the Chief Economic Advisor. Aiding them are the Additional Secretary – Budget and the Chairpersons of the two tax boards, the Central Board of Direct Taxes and Central Board of Indirect Taxes and Customs. This group discusses the tax changes that can be made.

After the Finance Minister has decided on the broad numbers, he/she goes to the Prime Minister for a first round of consultations. The Prime Minister may suggest some broad changes, which are incorporated before a second and more detailed round, where the new schemes are carefully considered. A third round of discussions is held on the tax proposals followed by a final round, if required, on the actual speech. All these discussions carried out in the first half of January every year.

India’s Union budget is formulated under extraordinary secrecy so that the building of Finance Ministry in which the budget preparation takes place is put under extra security. A pass is required to enter the building and every entry and exit is recorded. Once the budget documents start getting printed, only the core budget group can leave the building. The secrecy also applies to all budget documents and no one outside those working on budget have any access to information on the budget documents and numbers therein.

Enactment of the Budget

The Central Government can raise revenue and incur expenditure only upon the approval of the Appropriation Bill and the Finance Bill by the Lok Sabha (Lower House of the Parliament) and subsequently by the Rajya Sabha (Upper House of the Parliament).

Presentation of Budget in Parliament

The Presentation of Budget starts with the budget speech of the Finance Minister. The Budget speech is classified into two parts. Part A gives an overview of the economy over the previous and

the current financial year. It also presents budget estimates of different expenditure items for the upcoming financial year. Part B presents tax proposals for the upcoming financial year. At the end of the Finance Minister's speech in the Lok Sabha, the Budget documents are made available (both online and hardcopy) for the Member of Parliament and uploaded on the designated web portal of the Finance Ministry. In the Rajya Sabha, a junior minister in the Ministry of Finance lays down the budget documents.

General Discussion

After the budget is presented, a general discussion is held in both the Lok Sabha and the Rajya Sabha. At this stage the discussion is limited to a general examination of the budget and the proposals of the Government. The details of the budget, i.e., the proper distribution of the resources, the policy of taxation, as well as the volume of surplus or deficit, are not discussed at this stage. This general discussion is confined to fiscal policy issues, including a review and criticism of administration by the Government and its departments. The members of the Parliament, thus, have the opportunity of placing the grievances of taxpayers before the House. At the end of the discussion, the Finance Minister gives a response to the House. No voting on demands takes place at this stage.

Reports of the Department Related Standing Committees

As of now there are 24 Department Related Standing Committees that together oversee the work of all the ministries / departments of Government of India. One of the functions of Standing Committees is to scrutinise the allocation of funds to the ministries / departments under their supervision. These Committees examine the: (i) amount allocated to various programmes and schemes under the ministry, and (ii) trends of utilisation of the money allocated to the ministry. Officials of the ministry are required to depose before the Committees to respond to queries and provide additional information in connection with the Demands for Grants that are being examined. While examining a ministry's expenditure, the Committees may consult or invite views from individual experts and organisations.

Based on these consultations, the Committees submit their reports to Parliament. The Committees' recommendations are useful for Member of Parliaments (MPs) to understand the implications of the proposed expenditure across ministries and enable an informed debate before approving such expenditure.

Detailed Discussion on Demands for Grants

Typically, the Lok Sabha decides to hold a detailed discussion on four or five Demands for Grants. The ministries identified for discussion vary every year and are decided by the Business Advisory Committee of the Lok Sabha. This discussion on these Demands is followed by voting. Demands that have not been discussed and voted on by the last day are 'guillotined', i.e., they are voted upon together. In 2004-05, 2013-14 and 2018-19, all Demands for Grants were guillotined i.e., passed without discussion. During the voting on Demands for Grants, MPs can express their disapproval through '*cut motions*'. If a cut motion is passed, it signifies loss of confidence in the Government and the Cabinet is expected to resign. MPs can move cut motions to reduce the grant amount for the respective ministry: (i) to Rs. 1 to signify disapproval of the policies of that ministry; (ii) by a specific amount (an 'Economy' cut); or (iii) by a token amount of Rs. 100 to express a specific grievance.

Passing of the Appropriation Bill (Money Bill)

After the Demands for Grants are passed, they are consolidated into an Appropriation Bill. This Bill seeks to authorise the Government to spend money from the Consolidated Fund of India. This Fund consists of all the receipts and borrowings of the Government, the amount voted by Parliament, and the amount required to meet the expenditure charged on the Consolidated Fund, i.e., the amount does not require voting from the Parliament to carry out expenditure.

Expenditure items which do not require voting are as follows:

1. The salary and allowances of the President, and other expenditure relating to his/her offices.
2. The salary and allowances of the Chairperson of the Rajya Sabha and the Speaker and Deputy Speaker of the Lok Sabha.
3. The debt charges of the Government of India.
4. Salaries and pensions of the Judges of the Supreme Court.
5. Salary, allowances and pension of the Comptroller and Auditor General of India.
6. Any sum required to satisfy any Judgement or award of any court/arbitral tribunal.
7. Any other expenditure declared by the Constitution or by Parliament by law to be charged.

It thus, gives legal effect to the demands that have been voted on by the House. Here, it also becomes clear as to how Parliament controls public expenditure.

Passing of the Finance Bill

The Finance Bill is introduced with the budget and consists of the Government's financial proposals for the upcoming financial year. The Finance Bill is usually introduced as a Money Bill. The Constitution defines a Money Bill as one that only contains provisions related to taxation, borrowings by the Government, or funds of the Consolidated Fund of India. A Money Bill only needs the approval of the Lok Sabha, after which the Rajya Sabha can only give its recommendations.

It should be noted that the Appropriation Act only authorises the Government to appropriate money from the Consolidated Fund, whereas the Finance Bill enables the Government to collect the money it requires. As the Constitution states that “*no tax shall be levied and collected except by authority of law*”, a Finance Bill is placed before the Lower House of the Parliament. The Bill, when passed, becomes an Act, which authorises the Government to collect the required money through taxation or provisions that have been made in the budget. This Bill embodies the proposals of the Government to levy new taxes. It also embodies the modifications made to the existing tax structure or signals the continuance of the existing tax structure beyond the period approved by the Parliament.

The budget is said to be passed when the Appropriation Bill and Finance Bill are passed. After the budget has been passed by the Lok Sabha, it goes to the Rajya Sabha. The Rajya Sabha does not enjoy the power of amending or rejecting the budget. The Rajya Sabha can only make recommendations to the Lok Sabha, but within a period of 14 days. The Lok Sabha may either accept the recommendations of the Rajya Sabha or reject them. When the budget has been passed by both the Houses, it goes to the President for assent, after which it is considered final and published in the Gazette of India.

Implementation of the Budget

The responsibility to execute the budget lies with the Government. The execution of the budget has three aspects: (a) Distribution of the grants to different administrative ministries and departments, (b) Collection of revenue, and (c) Proper custody of the collected funds.

Distribution of the Grants

The Ministry of Finance distributes the sanctioned funds to various controlling officers under its purview. The duty of a controlling officer is two-fold:

1. To see that work is done in accordance with the approved budget.
2. To see that different ministries and departments do not incur expenditure beyond their sanctioned limit.

Thus, there is control over all public expenditure from both sides: from the administrative/distribution side as well as from the payment end.

Collection of Revenue

There are two kinds of operations involved here:

1. assessment of revenue
2. collection of revenue

The Central Board of Direct Taxes, the Central Board of Indirect Taxes and Customs, and the GST administrative body (GST Council) carry out the functions of assessment and supervision of collection and adjudication of revenue disputes. Thus, the administrative responsibility for the assessment and collection of revenue lies with these boards.

Proper custody of the collected funds

The legislature's authority is not limited to only sanctioning appropriations. Rather, it has the means to ensure that the appropriations are applied towards the purposes approved and are within the limits allowed. In India, Parliament exercises control over public expenditure through the following institutions:

1. Direct control by Parliament or the Legislature
2. Control by Parliamentary or Legislative Committees
 - The Estimates Committee
 - The Public Accounts Committee
 - The Committee on Public Undertakings

1. The Audit Department under the control of the Comptroller and Auditor General (CAG) of India

Each of these committees (noted in point no. 2 above) is formed on the basis of proportional representation and they represent both the houses of the Parliament.

The Estimates Committee

The Estimates Committee is a Parliamentary Committee comprising of 30 members elected every year by the Lok Sabha from amongst its Members to examine the budget estimates of the Union Government. Earlier, this Committee carried out the task of examining proposed estimates of expenditure by various ministries / departments. Since 1993, the Departmentally Related Standing Committees have taken over this function, leaving the Estimates Committee to largely examine the working of certain Government organisations. Among others, main tasks of the Estimates Committee include:

1. to report what economies, improvements in organisation, efficiency or administrative reforms may be effected that are consistent with the policy underlying the estimates;
2. to suggest alternative policies in order to bring about efficiency and economy in administration;
3. to examine whether the money is well laid out within the limits of the policy implied in the estimates; and
4. to suggest the form in which the estimates shall be presented to Parliament.

The Committee may continue to examine the estimates from time to time throughout the financial year and report to the House as its examination proceeds. It is not binding on the Committee to examine the entire estimates of any one financial year. The Demands for Grants may be finally voted on regardless of whether the Committee has made a report.

- **Public Accounts Committee**

The Public Accounts Committee (PAC) has 22 members, 15 elected from the Lok Sabha and 7 from the Rajya Sabha. It is one of the parliamentary committees that examines the annual audit reports of the CAG, which the President lays before the Parliament of India. The three kinds of reports submitted by CAG are:

1. Audit report on appropriation accounts
2. Audit report on finance accounts
3. Audit report on public undertakings

The Public Accounts Committee examines public expenditure. That public expenditure is not only examined from a legal and formal point of view to look for technical irregularities but also from the point of view of the economy, prudence, wisdom, and propriety. The purpose of this exercise is to bring out cases of waste, loss, corruption, extravagance, inefficiency and unnecessary expenses.

- **Committee on Public Undertakings (CoPU)**

The committee on Public Undertakings is one of the Parliamentary Committees (Standing Committee) in the Indian Constitution that was introduced to expand parliamentary control over PSUs. This committee has 22 members — 15 from the Lok Sabha and 7 elected from the Rajya Sabha. It examines the accounts of Public Sector Units (PSUs) to check the credibility, efficiency and autonomy of their business. It examines the reports of the CAG on PSUs and performs any other tasks assigned by the Lok Sabha speaker with regard to PSUs.

Audit

Despite the fact that the audit phase is the last stage, it is a very crucial part of the entire budget cycle. Although in India it is an ex-post scrutiny, it has huge political implications. The CAG of India, which is the supreme audit institution of India, not only audits the government's expenditure but also its revenue. It checks, for instance, whether the correct procedures and rules were followed while collecting taxes. But beyond this, it may also analyse the revenue implications of certain Government policies.

In this final stage of the budget cycle, the Controller General of Accounts (CGA), who administers matters pertaining to the departmentalisation of accounts of the Union Government, is entrusted with the following functions:

- Prescribing the form of accounts relating to the Union and State Governments
- Laying down accounting procedures;
- Overseeing the maintenance of adequate standards of accounting by the Central Accounts Offices;

- Consolidation of the monthly and annual accounts of the Government of India;
- Administering rules under Article 283 of the Constitution relating to the custody of the Consolidated Fund, the Contingency Fund and the Public Account of India.

The CGA prepares a condensed form of the Appropriation Accounts and Finance Accounts of the Union Government. However, the process does not end with just the preparation of accounts by the CGA. Verification of the accounts for accuracy and completeness and to ensure that the expenditure incurred has been sanctioned by Parliament is also critical. Hence, the accounts prepared by the CGA are audited by the CAG of India. The audited accounts are tabled in both the houses of Parliament along with the CAG report. The CAG is responsible for the audit of all the expenditure of the Central and State Governments and for the submission of audit reports to the President or the Governor for placement before the appropriate legislature. The report of the CAG amounts to the issuance of a certificate. The observations of the CAG summarise the objections and irregularities in relation to voted and charged expenditure in the budget.

Timeline of The Union Budget

The formulation, enactment, implementation and audit of three different annual budgets take place simultaneously, whether it is for the Union or State Governments. Figure 1 captures the various processes involved in an annual Union budget. While it shows the processes of the 2021-22 budget, in parallel, the implementation of budget 2020-21 is ongoing and the audit of budget 2019-20 is being undertaken.

4. Budgetary process of State Governments

The State budget, also known as an Annual Financial Statement, is a statement of the receipts and expenditure that are estimated to be incurred by a State during a financial year. It lists the sources of receipts and projections of expenditure for the year. The structure of State Government Accounts is quite similar to that of the Union Government. For the States, too, the Constitution of India stipulates that no expenditure can be incurred from the Consolidated Fund of a State without the authority of an Appropriation Act. In order to obtain this authorisation from the State Legislature, a Statement of anticipated receipts and expenditure for each financial year, known as the budget, needs to be laid before the State Legislature.

The budget at the State level is prepared by involving various departments, as a State has several departments, each of which overlooks a particular area / sector / constituency of population, such as education, agriculture, health, children etc. The budget is then finalised by the Finance Department and approved by the Legislative Assembly.

It should be noted that State Governments enjoy autonomy in their budgets, and hence all States do not follow the same processes. There can be small differences across States, but overall, the following steps are followed by almost all of them:

Formulation

At this stage, receipt and expenditure estimates are prepared by the departments concerned for final compilation by the Finance Department. For easy comprehension, this process has been divided into two steps, namely: estimation and planning, and budget finalisation.

Step 1: Estimation and Planning / Issuance of budget circular

To begin with, the Finance Department assesses the available financial resources, which include the assistance received under ongoing schemes, expenditure incurred on their implementation, funds of public enterprises and local bodies, outstanding arrears, and so on. Then, in September, the Finance Department issues a budget circular to all administrative departments and agencies of the State government. It contains instructions regarding the preparation of the revised estimates (RE) for the on-going financial year and the budget estimates (BE) for the following year. The circular also consists of information regarding any change in the budgetary process, such as changes in classification, changes in procedure, etc., and the budget calendar, consisting of deadlines for various tasks to be undertaken to prepare the budget.

- **Determination of budget estimates**

After the issuance of the circular, the budget estimates are prepared by various departments. The budget is made up of receipt and expenditure estimates. These estimates are prepared in accordance with the respective State's Fiscal Responsibility and Budget Management Act .

- **Preparation of resource estimates**

The preparation of resource (receipt) estimates (both on Capital and Revenue Accounts) is based on the revenue expected to be received in the following year. This practice is undertaken by estimating officers. While making such an estimation, attention has to be paid to the likely revenue that will be generated, outstanding arrears, and the impact on revenue generation due to economic or policy related factors, etc.

- **Preparation of expenditure estimates**

Expenditure estimates (both on Capital and Revenue Accounts) are prepared on the basis of the financial requirements of various departments. All the expenditure estimates put together reflect the State Government's total demand to the Legislative Assembly for approval of funds. Estimating expenditure is an important exercise enabling the Government to forecast its expenditure in the following year. Like the process of resource estimates, expenditure estimates are also prepared by Estimating Officers, which contain revised estimates (RE) for the ongoing financial year and budget estimates (BE) for the following financial year. Until financial year 2016-17, expenditure estimates were divided into Plan and Non-Plan expenditure. However, since 2017-18 this distinction of Plan and Non-Plan expenditure has been dropped. Now, the budget estimates for schemes by every department have to be prepared according to the ceiling imposed by the Planning Department.

Step 2: Budget Finalisation

The budget estimates are passed on from the Estimating Officers to the heads of Administrative Departments and finally to the Finance Department. The Finance Department is responsible for the scrutiny of these estimates to check if the budget heads are correct, etc. Other than scrutiny, the Finance Department has the power to make changes such as reducing a budget estimate if the department feels that such an amount will not be spent, correcting the classification of expenditure under heads, etc. The Budget Finalisation Committees (BFCs) formed by various departments then undertake discussions with the Finance Department based on which the budget is finalised. The Finance Department has a separate division for each department. All of these estimates once finalised are compiled by the Finance Department and cannot usually be modified. This compilation will form the State's total budget. This is then forwarded to the Planning Department

for re-examination and suggestions after which it is sent back to the Finance Department. The estimates are modified if the Finance Department finds there is a need to do so.

Before finalising the budget, the Finance Department can also hold pre-budget consultations. These consultations are held with academicians, NGOs, labour organisations, farmer organisations, and social sector groups etc. to gather feedback for the upcoming year's budget. Other than this, the Finance Department invites online suggestions from public and institutions/ organisations having expertise on public finance and budgeting. The final estimates are then sent to the Cabinet in the form of a memorandum. After approval by the Cabinet the final budget estimates are presented to the Legislative Assembly.

Enactment

After finalisation by the Finance department, the State budget is presented to the Legislative Assembly (*Vidhaan Sabha*) by the State's Finance Minister in February/March every year. After the budget is presented, the Speaker of the Legislative Assembly selects a day or a period of days to hold discussions on the budget and the budget documents. Once these discussions come to an end, a vote on Demands for Grants is held. At the end of this entire process, an Appropriation Bill is introduced and voted on. This Bill is meant to sanction funds from the State's Consolidated Fund for use by the Government in accordance with the budget. This Bill, once approved by the Legislature Assembly is sent for ascent from the Governor. A notification is then published in the Official Gazette. After the grants are passed, the Finance Department communicates the allotments authorised to all the spending departments / agencies / institutions to carry out the spending.

Implementation

Once the Appropriation Bill receives ascent from the Governor, the sanction of funds is communicated to various administrative departments. Funds are then disbursed for the execution of government schemes and programmes. This is followed by monitoring of the utilisation of funds and the implementation of the schemes and programmes.

Disbursal of Funds / Grants

The Finance Department stores the details of the allocations sanctioned for every department in its integrated financial management system (IFMS) software. Within each department, there are

Budget Controlling Officers and Drawing and Disbursing Officers who are entrusted with the task of executing schemes by controlling and supervising the allotment of funds. Both these officers receive information about the funds placed at their disposal from the Administrative Department. The Drawing and Disbursing Officers are given the authority of drawing funds from the treasury (on behalf of the Government) so that various schemes and activities can be implemented.

Monitoring

Once funds are sanctioned and disbursed, it is necessary to ensure that the funds earmarked for a specific purpose are utilised to that end. This monitoring is done at many levels. Overall, the Finance Department has the responsibility of managing the State's finances. Other than the Finance Department, the Budget Controlling Officers and the Disbursing Officers are required to ensure the appropriate use of funds. They maintain registers to track expenditure under each item. Every month, the Budget Controlling Officers send a Statement showing the total departmental expenditure and liabilities to the Accountants General. Similarly, the Drawing and Disbursing Officers submit such Statements to the Budget Controlling Officers. Based on these Statements, the Accountants General produces monthly receipt and expenditure Statements for the Finance Department.

Similarly, there is a Management Information System for schemes such as MGNREGA through which reports are produced for the monitoring of these schemes. The Chief Minister's Office also monitors the implementation of budget announcements through the Chief Minister's Information System (CMIS).

The Public Finance Management System has also been introduced by the Union Finance Ministry for the monitoring of Central and State Government schemes. There are a number of Dashboards, at various tiers of Governments have been created to monitor physical and financial progress on the implementation of schemes.

Audit

As per Article 150 of the Indian Constitution, the Accountants General (AG) in each State (part of the Office of the CAG of India) is responsible for audits of Government accounts. Such Audits and Accounting have to be practiced to promote accountability and transparency on the part of the State Government. The office of the Accountants General is responsible for the compilation of the

monthly accounts of the State Government, inspection of the State's treasuries, and preparation of different types of accounts such as Appropriation Accounts and Finance Accounts. For the preparation of these reports, information is gathered from the Budget Controlling Officers. These exercises are undertaken soon after the financial year ends, i.e., in early April each year. A final copy of the Appropriation Account is sent to the Finance Department for review. Based on this, the Finance Department prepares another Statement that is submitted to the Finance Minister. In simple terms, the office of the Accountants General is responsible for producing Audit Reports that list various budgetary irregularities in the Appropriation Accounts of the State. The office of the AG also responsible for maintaining the accounting standard of the annual budgets of the State Government.

GOOD GOVERNANCE AND THE ROLE OF CITIZENS

Good Governance is an approach to the government that is committed to creating a system founded in justice and peace that protects an individual's human rights and civil liberties. In International Development, Good Governance is a way of measuring how public institutions conduct public affairs and manage public resources in a preferred way. Governance is the process of decision-making and the process by which decisions are implemented.

Why Good Governance?

Good Governance can also be called a **Great Administration** because when we try to break down the term governance from government, "**Governance**" is what a "**government does**". It is to advance and continue all-encompassing and integrated human development. The total center is to perceive how public-elected government enables, simplifies, and authorizes its people, paying no consideration to caste, creed, color, class, sex and political ideology and social origin to think and take certain decisions which will be to their greatest advantage and which will empower them to lead a spotless, respectable, glad and self-sufficient existence.

What are the basic features or elements?

There will be basic features on which a project or any other theme is developed. Even Good governance is developed on the basis of such principles; which assures minimized corruption, greater respect for the opinions of the minorities and the voices of the most vulnerable section of the society.

Principles of Good Governance:

- Participation
- Rule of law
- Transparency
- Responsiveness
- Equity and Inclusiveness
- Consensus oriented
- Accountability
- Effectiveness and Efficiency

It also makes sure that both the present and future needs of society are met and fulfilled. **Good Governance** is very important in the public sector because especially when one is dealing with the money of the public as well as the trust in which they elected a government that will fulfill their needs and stays for their best.

Citizen engagement has collected quality over the most recent 20 years as a response to the deficiencies of the government reforms intended to improve Governance. Good Governance means open, comprehensive, responsible, and successful public foundations. Promoting Good Governance is a key vital target of the worldwide development target. Poor administration has inverse attributes and is at the core of corruption. For over 10 years, governments and donors have perceived the significance of advancing Good Governance and battling corruption, and have been implementing Good Governance and anticorruption reforms.

The growing development for the government to draw in with residents and civil society is also being impelled by arising proof that resident commitment improves development outcomes, reduces poverty, and encourages peace by promoting social inclusion. The rapid ascent in availability or connectivity, 24/7 instant communications, and online media likewise empowers governments to connect all the more broadly with residents. Citizens and governments around the globe are progressively concerned with, and ready to go up against poor governance and corruption. Citizen and civil society engagement to demand and promote good governance can improve by and large the viability of Good Governance and anticorruption programs.

“The success of democracy is impossible without participation of the people” – Prime Minister Narendra Modi

India is the largest democracy in the world and citizens here are highly enthusiastic to be a part of governance. In a democratic system, citizen participation is one of the key components of the decision-making process. **My Gov** launched by the Indian Government is one such attempt to ensure citizen participation towards decision making so that the ultimate goal of 'Good Governance' for building India is achieved.

There are many **Initiatives for Good Governance** in India such as; RTI, E-Governance, Legal Reforms, Decentralization, Aspirational Districts Programmes, etc.

At the very same time, there are also challenges to Good Governance.

Challenges of Good Governance are as follows:

- Corruption
- Gender disparity
- Growing incidence of violence
- The marginalization of socially and economically backward people
- Delay injustice and so on.

Good Governance is an ideal that is hard to accomplish in its entirety. It ordinarily includes well-intentioned people who bring their thoughts and ideas from experiences, inclinations, and other human qualities and deficiencies to strategy or policymaking. Good Governance is accomplished through an ongoing discourse that endeavors to catch all the contemplations engaged with assuring that stakeholder interest is addressed and reflected in policy initiatives.

The participation literature has increasingly focused on the citizenship aspects of participation, particularly the 'rights and responsibilities' that citizenship entails (Jones and Gaventa 2002; Home Office 2004).

People respond differently depending on whether they are acting as consumers or citizens or co-producers (and look for different benefits):

- **Consumers / customers** are the direct and indirect users of the public and private services and products that are ultimately designed to serve communities. This is more than a simple commercial relationships: "the quality of public goods and services is highly dependent on the trust between the provider and user of that service" (Skidmore et al 2003).

- **Co-producers** are those who share responsibility as well as rights to good quality services. Citizens are not simply the passive recipients of services delivered by the state on their behalf and “in fact their consent and active participation is crucial to the quality of goods and services they receive ... they are best understood as being ‘co-producers’, citizens and the state working together” (ibid).
- **Citizens** are those operating in the political sphere where decisions are made about priorities and resources, taking into account the needs of others on public (not personal/private) goods and benefits. People “think and act differently as citizens than we do as consumers” (ibid). Decisions about public goods and public value are inherently political contests and require the public to engage as citizens and not only as consumers.

The literature suggests that public institutions also see the difference between consumers / users of public services and citizens (Barnes 1999). Barnes suggests that the institutions may be committed to the ideas of user involvement, but resist the idea that organised user groups are stakeholders in an increasingly complex system of local governance. As a result, institutions saw user group participation as merely representing user involvement and as a route to enabling people to become more effective users of services, rather than perceiving it as an active citizenship.

Moreover, the experience of taking part in decisions is supposed to spread the idea and practice of democracy in areas where democratic institutions are weak or undeveloped (Jackson 1999) or to revitalise existing democracies (Rogers and Robinson 2005). One specific example is the New Deal for Communities election in the West Gate area of Newcastle that had a higher turnout than for local elections (Burton et al. 2004, 26).

The benefits from this aspect of participation tend to be characterised as:

- **Active citizenship**, in which people take a more active role, and a greater responsibility, for the well-being of their community / society. This may be manifested in all sorts of ways from volunteering to campaigning. Here, citizenship is used as a policy concept to link rights and responsibilities. The ‘rights’ argument for participation is well established in the participatory literature; a view that can be summarised as: “Forgotten somehow is the fact that participation in the institutions which shape one’s life is not a gratuitous privilege, but a basic right” (Kasparson, quoted in Hallett 1987, 5).
- **Stronger communities**. Active citizenship is often seen as an end in itself but is also linked to wider benefits such as civil renewal and the development of stronger

communities as community members (citizens) take more responsibility for local quality of life, and work together to achieve it (e.g. Skidmore and Craig 2004, CRU 2004, NAO 2004) (and see inclusion and cohesion above).

- **New organisations and structures.** Participation can lead to the establishment of a wide range of new groups, organisations (e.g. development trusts), formal partnerships and other mechanisms that can enable and support continuing public participation (e.g. World Bank 1994; Oakley 1991; Warburton and Wilcox 1988).
- **Behaviour change.** Changing people's behaviour, attitudes and values has become a growth area in public policy analysis (Cabinet Office 2004, Darnton 2004, Dobson 2004, Green Alliance 2003, Lindblom 1992), as government shifts from delivery to enabling, and recognises that effective public service outcomes depend on the close involvement of those they are designed to serve (e.g. improve health outcomes through lifestyle changes such as diet, stopping smoking, taking exercise etc). It is linked to considerations around citizenship (see above), especially linking rights and responsibilities. Participation in collective local action is seen in the literature as a mechanism that allows individuals to test ideas about changing behaviour, groups providing support for 'normalising' behaviour change, and encouraging involvement in decisions that are in the public interest / common good.
- **Trust and social capital.** There is significant evidence that trust and social capital are greater among those individuals and communities that actively participate in local governance and other collective activities (Rogers and Robinson 2005, Burton et al. 2004, Irvin and Stansbury 2004, Stoker 2004, Johnson, Lilja and Ashby 2001, Marshall 1999).

Participation is seen as a creator of social capital but, as Jackson (1999) points out, participation in turn "also requires certain levels of social capital" in order to be possible.

Social capital

- Social capital consists of the networks, norms, relationships, values and informal sanctions that shape the quantity and co-operative quality of a society's social interactions
- Three main types of social capital can be distinguished: bonding social capital (e.g. among family members or ethnic groups), bridging social capital (e.g. across ethnic groups) and linking social capital (between different social classes)
- Social capital can be measured using a range of indicators but the most commonly used measure is trust in other people.

Increased social capital is seen as able to act as a buffer against socio-economic disadvantage by reducing the effects of lack of economic resources (Campbell 1999), can improve self-reported health outcomes and reduce health inequalities (Cooper 1999; HEMS 2000), and help create “high levels of growth in GDP, more efficiently functioning labour markets, higher education attainment, lower levels of crime, better health and more effective levels of government” (Aldridge and Halpern 2002).

The ONS review (2001, 20) adds improved longevity, income equality and less corruption, as well as arguing that “social capital may act to buffer the effects of social stress and that its presence might generate a sense of well-being and belonging”. Rogers and Robinson (2005) agree with Aldridge and Halpern (2002) and the ONS (2001) about the benefits of social capital for economic growth, and add reducing fear of crime (as well as actual crime), increased employment, as well as increased trust in public institutions as one of the proven benefits of participation.

However, social capital is not without contention. As Rydin and Pennington (2000, 161) point out “the claims made for social capital vary greatly”, and Servon (2002, 2 and 3) points out that “it remains very difficult to operationalise social capital for the purpose of quantitative analysis” and that “it has come to mean different things to different people”.

Social capital has been described in numerous ways (in addition to the definition taken in this study and cited in the box above. It has been defined as ‘social energy’, ‘community networks’, ‘social resources’, ‘social glue’ (ONS 2001, 6) and also as a “web of co-operative relationships between citizens that facilitates resolution of collective action problems” (Veenstra 2000, 619).

The latter definition hints at the assumed economic effects of social capital. According to the ONS literature review on social capital (2001, 7) social capital can enhance “economic achievement through increased trust and lower transaction costs”. The view that the primary economic effect of social capital comes from reducing transaction costs is shared by, among others, Weinburger and Jütting (2001).

In terms of its role in assessing participation, it is worth noting that social capital differs from other forms of capital in a number of ways, and there appears to be a certain amount of consensus in the literature about the following differences:

- Social capital is non-rivalous (Servon 2002): one person's use of social capital (trust etc.) does not hinder anyone else from using it. This quality makes social capital a public good (ONS 2001) and it is therefore subject to the risk of free riding.
- Social capital does not deplete with use like other forms of capital (Servon 2002).
- "Despite some ambiguity, social capital is generally understood as the property of the group rather than the property of the individual. Hence the most common measures of social capital examine participation, e.g. membership of voluntary organisations" (ONS 2001, 14), although this measure has been seen by some (ibid) as limited and one-dimensional. The analysis of social capital as a collective asset is supported by Servon (2002).

There are also some negative findings on the social capital outcomes of participation. Social capital can be destroyed as well as created by a badly run participatory process that might result in reduced trust, anger and resentment, dividing communities and leading to greater conflict (ONS 2001). In addition, a participatory process might lead to increased social capital among already highly-experienced groups to the detriment of those who are unable to participate on equal terms. The claim is sometimes made that participation is actually creating a new elite of well-networked 'professional' participants. More seriously, undesirable 'communities' (e.g. criminal organisations) also rely on high levels of internal trust and can benefit from the development of social capital among their members (ONS 2001).

There are also studies that argue that there are no significant correlations between social capital (as measured by social engagement in voluntary associations) and health outcomes (Veenstra 2000). In addition, Knack and Keefer (1997) studied the effects of social capital on economic performance using international data on trust and social norms and found that membership in formal groups, one of the more popular measures of social capital, was neither correlated to trust or economic development.