

(36)

Diagnostic

In this feature a caselet with rich policy implications is presented to a panel of academics and practitioners. The panelists diagnose the problem or problems, analyse their causes and make policy-level recommendations that go beyond the immediate situation presented in the case.

Readers are requested to send their interpretations and recommendations with respect to the situation presented and analysed, and also for the caselet to be discussed in the next issue of *Vikalpa*.

To facilitate the editorial process, please send three typewritten double-spaced copies of your responses. The length may be kept to not more than three typed pages.

Barriers to innovations in lower bureaucracy

Given below are two current situations in which initiatives are in danger of being blocked from becoming innovations. They have a message for developing countries attempting to use the bureaucratic form of organization for socio-economic development. The situations described were found at relatively low levels of the government bureaucracy where high levels of initiative are needed but the freedom to show initiative is heavily circumscribed.

Situation 1

The Industrial Training Institute (ITI) is set up by the government in most districts to give one or two-year certificate courses in various trades such as carpentry, electric motor winding, automobile repairs, wiring, lathe work, etc. The government also provides certain incentives in terms of scholarships for the weaker sections of society, including tribals. In many places ITIs are also involved in the TRYSEM (training of rural youth for self-employment) sponsored through the district rural development agencies. ITIs, however, do not have any facility for the placement of trainees after they pass out. Talking about his problems, the 35-year old principal of an ITI in a drought prone tribal district in Western India said: "To train my boys, particularly, in the motor repair section, I want to give them an opportunity of working on live machines, rather than asking them to learn from a junk machine. Unless a trainee sees a machine repaired by him operating on the road, his confidence is not boosted sufficiently. While I cannot take the risk of getting another department's jeep or machines for repairs formally, I do it informally. For, to do it

Vikalpa thanks Professor Anil K. Gupta for the material in this case.

formally, I must get permission which takes time, and in the meanwhile, the department might send the vehicle to some other workshop. Moreover, ITI is not authorized to take up any repair work. To which account will I show the income from repair? I requested the agricultural department to let me have their damaged vibrator used for soil testing for repair which in the market would have cost them Rs. 600 and my boys have repaired it at no cost. Likewise, I requested another department to send their damaged jeep for repairs which too my boys handled very successfully. I am not required to do these things. But my weakness is that I want to keep myself fruitfully busy."

"I took a contract for tailoring. I was to give the stitched dresses by 26 January. The Khadi people quoted lower prices because they used big machines for cutting and stitching. Instead of 1 January, we were given the cloth only on 19 January. I called my old trainees and arranged for machines from the dealer on deferred payment basis. A part of the stipend of new trainees and a part of the income from the contract work were to be pooled to pay for the cost. While the dresses I got stitched were more durable than that of khadi, my margin was very low. Our boys got hardly Rs. 1.50 per day."

"The machine dealer also gave loan to many of our students whose stipend was credited in the banks for repayment of the loan. Under the tailoring scheme, through link up of the stipend and their earnings from other work, every trainee owned the machine by the time he finished his training, although he was given the machine by the dealer at the beginning itself. I gave my personal guarantee of repayment, although officially I am not required or supposed to do that."

"One of the major problems under this scheme has been to get *genuine* tribal candidates. I did not want to compromise on this issue, which means that initially I was not able to get many applicants. I tried to find a way out. One of my friends, a veterinary

doctor in the Dairy Department, goes to different parts of the district. He let me travel with him and so I went to various places and persuaded farmers to send their children for training at ITI. I also assured them that I would get them work after they were trained. There was good response to this effort."

"Some of these trainees are encouraged to bring stitching jobs from their neighbours and relatives to stitch here using government thread and machines. This will help in creating a market for them subsequently. If I had given government cloth the thread would have been used then too but the trainee would neither get any earning nor would a market be created for him."

"Recently the Deputy Director came for inspection. He found things very good, but said that officially he would not like to be told of any of the deviations from the rules. He also advised me that it was my business to satisfy the auditors. If they found anything wrong then it would be my funeral. For example, some of these students would get the monthly stipend of Rs. 60 only if they stay in the hostel but many trainees would like to commute daily from their homes even by foot. I gave a receipt of Rs. 60 for 6 months to some of the boys, so that they could use that money to pay the margin money for the machines."

"My intentions are clear, though my actions are liable to be misinterpreted. But already some of the boys trained here have opened shops of their own."

Situation 2

In drought prone regions, soil erosion has been a serious problem, and the government has been making efforts to conserve soil by different programmes. An inch of surface soil takes hundreds of years to be formed whereas rains, wind, animals, etc., would erode it in just a year. The design of work is also quite specific to the terrain and topography of the region. The problems faced by an officer who

was asked to implement the programme of conservation under certain sectoral guidelines are mentioned below:

"Contour bunding used to be done in this district in the 60s when this had just got started. Only later it was realized that the bunding by itself would be able to achieve very little unless it was accompanied by terracing, gully plugging and such other works. While several problems were faced when I came to this district, two of them were extremely important. The areas which had been treated by contour bunding could not now be covered under bench terracing although for all practical purposes the earlier works had become ineffective. The outstanding loan against the farmers covered under bunding made them ineligible for any fresh loan."

"The soil conservation works required taking a comprehensive watershed approach, i.e., all land having a common drainage basin should be treated together. One difficulty in this was that at many places, in between the farmers' fields there were patches of government land. While the farmers' fields could be developed by appropriate soil conservation treatments since the cost could be recovered as a part of long-term loan, there was no provision for treating government lands, which would require the entire cost to be borne by the department. How to tackle such situations where the efficiency of treatment of farmers' lands would depend upon the necessary treatment of the adjoining good lands?"

"Another serious problem has been the standardization of soil conservation/treatment plans. In our districts, despite very different ecological conditions, the per hectare treatment charges are the same. They have not changed for many years. Although the labour rates have doubled since 1975, the government approved treatment charges continue to be the same at Rs. 550. Despite many representations the government has not yet reacted to this but we have found out a loophole. Based on the current rate of wages which has gone up

substantially the estimates of soil conservation works have been revised upwards. In case the government seeks an explanation I will have to give a reply. But I do not care. Those who dared have increased the rates, others are still making do on the old rates. Even at the rate of Rs. 911 per hectare (the revised rate) perfect work cannot be done, for it would actually require Rs. 1,500-2,000/hectare. The government cannot increase the supply of land because no more cultivable land is available. However, with soil conservation treatment it is possible to reclaim considerably eroded land for cultivation. If this is done, I expect the production potentiality of this district to be able to reach several times the present level. I do not know what auditors would say about this but I am going ahead. My intentions are clear and the task is important and urgent."

1. Need for developmental financial administration

Both situations reveal two major dimensions of the management of development: the traits and styles of developmental administrators, and systemic constraints and inhibitors to initiative, change, and consequently to development.

In both, the administrators are not only willing to take initiative but also the risk. They find that if they go strictly by the "book" they will not be able to serve the purpose of development programmes—TRYSEM and soil conservation. In most bureaucratic situations one finds a lack of initiative and rarely, if ever, the willingness to take risks. It should be noted, however, that bureaucracies bend and even break rules all the time. If this were not so, corruption would not have been so rampant. The critical question then is, to what purpose are initiative and risk taking? Also, most officials feel highly role-bound, particularly at the lower echelons of bureaucracy where the traditions of independence and autonomy are weak and where close and continuous inspection and instructions from above are a matter of habit.

In the first situation, the principal is determined to keep himself "fruitfully busy" which he calls a "weakness." And so he goes out of his way (and rules) to get damaged machines and recruit genuine tribal youth for the TRYSEM. He does not get bound down by his prescribed role in giving personal guarantee for sewing machines to the dealer, nor does he feel resource myopic when he goes out to villages in the veterinary doctor's vehicle (how many times has one heard officials saying that they cannot do much because they have no resources!). In the second situation the soil conservation officer is resourceful enough to find a loophole in the government prescribed norms and brave enough to take the risk to go ahead with his social conservation work beyond the prescribed ceiling.

One hears so much about the confining and constraining aspects of the government system: rigidity, hierarchy, lack of powers, and resources. Yet officials who are committed to development, who are willing to take risks, who are not narrowly role-bound within the framework of their "job charts," and are not resource myopic can achieve a lot.

On the other hand, both situations clearly show how a governmental system even when it is developmental could be oblivious of the needs of development. In the first case, when a programme of vocational training for youth is designed, provisions to give them practical training are not built into the programme. Also no autonomy is given to programme managers to make necessary changes, or officially to include within their scope additional and related things that they need to do in order to achieve the objectives.

On the contrary, the possibility of audit objections cramps their initiative. Both officers—the principal of the ITI and the soil conservation officers—are worried about their deviations from the rules being misinterpreted and both have to reiterate that their "intentions are clear." In the case of the principal, the Dy. Director who came for inspection does not

want to know about these deviations. Not only that, he also warns that the auditors will have to be satisfied. And if something is procedurally wrong it is the principal's funeral! It should not be surprising that any officer after this warning from a superior would want to withdraw into his shell. Given the system and the administrative climate, the risks that they are taking are indeed high. Given the typical reactions of seasoned bureaucrats they may be "straightened" out soon—at the cost of development, of course, and reinforcing the tradition of the "beaten track" for their successors and juniors.

It is not uncommon that the developmental programme, in spite of the oft repeated rhetoric of decentralization, autonomy, devolution of powers, functions and resources, initiative and dynamism, rarely provides any scope for field level officials to take any initiative. In fact, taking initiative becomes risky. While new development programmes get designed and sponsored by the dozen, their internal detailed provisions and arrangements continue to be beset by the old colonial distrust of the lower echelons of administration. As a result, field officials generally take the initiative, deviate from norms or bend and break rules only when it benefits them personally. In most cases such initiatives or risks are non-developmental, if not anti-developmental.

When developmental programmes are designed they should provide scope for initiative by explicitly giving powers to the concerned officers to make necessary changes, to go beyond the prescribed set of activities or ceilings to achieve the objectives.

Second, the financial systems of development programmes need to be radically changed. The "accounts and audit" obsession tends to generate delays, makes administration excessively procedural and cautious, and discourages any initiative. Most development programmes provide very little financial freedom—drawing, disbursing, and sanctioning powers—to the field officers. Even when some development programmes have innovative and more

developmental oriented designs the financial provisions are still excessively conservative, the audit approach particularly is negative. Rather than looking at whether the expenditure achieved the objectives of a programme, it looks at how it was appropriated, and whether each step was according to laid down procedures. It is, therefore, necessary that development programmes should also have a development oriented finance and audit system, with more emphasis on results than on propriety.

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2. Liberation through change in the bureaucratic ethos

I read with interest the caselet on "Barriers to Innovations in Lower Bureaucracy." It is true that there are a large number of situations, in which "initiatives are in danger of being blocked from becoming innovations." The author has, therefore, suggested that this is a "message for the developing countries attempting to use the bureaucratic form of organization for socio-economic development."

At relatively low levels of government, where high levels of initiative are needed, the freedom to show initiative is heavily circumscribed. This is inevitable when one deals with a very large number of personnel as in government organizations, spread all over the country. A country of the size of India has enormous socio-economic diversity. It cannot be easily encompassed and handled by a uniform system of structures, processes, rules, and procedures. There is, therefore, a great need for decentralization at various levels. Such decentralization by itself cannot accomplish the desired results since the countervailing force required to deal with any organized system of administration has not yet found a place at the grass-root level.

We are probably one of the greatest experimenters of all times in the field of rural development, resorting, as we have, to various

approaches pertaining to area, programme, target-group, crop, etc. In almost all these cases, we have yet to find a way to effectively ameliorate the living conditions of the vulnerable sections of the population. In situation 1, there is a reference to the initiatives taken by the principal of an Industrial Training Institute in a drought prone tribal district. This is commendable indeed and certainly needs the support of his superiors. Normally, the supervisory officers do lend encouragement and support in such cases. The demands of audit are overcome by a clear enunciation of results. However, it is difficult to turn this initiative into an innovation for all the ITIs of the country, which are far too many, and under the control of the state governments. I had known cases of such overt initiative being misused, causing serious problems within the ITIs and for the government.

Unfortunately, it is noticed that the same people use the same initiative for meeting their own requirements, on the basis of the influence they exercise. For example, in the field of cooperation, loans taken are purported and have been paid back by taking bigger loans on some other schemes. When the government machinery and vested interests combine, the few innovations which are being introduced by a band of sincere workers get easily blown off and become unhealthy precedents.

The freedom to take initiative is not by itself a virtue. I have seen some *talatis* and *karnams* freely giving certificates to prosperous farmers saying that they were small and marginal farmers, since a portion of their land fell into their village where it could be termed as such, though they have large plots elsewhere. Here, the farmers carried away the benefits of subsidies and other advantages: Situation 2 is exposed to similar rigours. I wish there was a way out of it. Prudence and one's attitude and concern can alone find a breakthrough. Inevitably, public accountability, audit and such other restrictions become part of a system, where rules chase evasion and evasions find a breakthrough. This vicious circle

has added on more and more rules. In a large measure, we are trying to reconcile conflicting goals like "growth with social and economic justice," "development and productivity with improving the living standards of people below the poverty line." One's style of administration under this condition will depend upon what one's predilections are and in which direction his sympathies lie. I know an officer who was shifted from one job to another as he proved inconvenient with his special concern for the poor. His innovative spirit even in a job, generally considered to be small, led him to organize cycle rickshawallas by getting them loans from the banks and thus depriving the owners of the rickshaws of their earnings. He could very well do this within the framework of rules and the governmental systems for he had no complaints to face either from the audit or the machinery. On the other hand, I have also come across people who can take the cream off even in the least important positions.

Governments all over the world are conservative. They try to institute a system which is accountable to the public and which is beyond reproach. Therefore, the entrepreneurial role of the government to a great extent gets circumscribed. It is large, its operations are all over the country, and its impact on the destinies of its citizens is very wide ranging. A seemingly good solution today could become a problem for the morrow.

There is nothing wrong in a system as such. Even in government we have tried to hive off its functions by establishing corporations. They also seem to have failed to meet the requirements, barring a few. Here government tried lateral entry of people from business and private enterprises but this has not helped matters.

This is not a voice of despair nor a defence of the indefensible. The only answer seems to lie in the creation of a countervailing force where people's participation is ensured through their organization around an interest. In this context, development assumes a new meaning and significance where a new confidence

is infused with a "faith in the future." People feel liberated and, therefore, become self-reliant and self-sustaining. If liberation is the key word then ethos of bureaucracy will need a substantial change. Mere tinkering with a system will not bring any results. It will be only cosmetic.

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3. The need for creative decentralization

The situations described in the caselets bring out some aspects of the problem of making the developmental machinery effective. Poor motivation of the functionaries concerned, which is frequently the reason for the developmental agencies functioning in a proforma manner, is evidently not the cause here. In both cases, the officials show a willingness to take initiative rather than rest content with a passive role. They find, however, that if they are to achieve the purpose the organization was set up for, they must ignore, and even violate, many of the financial and other regulations governing their organization. Both of them have here taken a forthright stand, disregarding the risks of censure on account of audit and other objections that it naturally entails for them. This, however, can hardly be taken to be typical of the majority of the functionaries, who, one may be sure, would rather not do so, unmindful of the fact that it would mean a job not done. The dilemma faced by the principal of the ITI and the soil conservation officer—of having to trample on the letter of the law in order to uphold its spirit and that too not for any involved situation with delicate nuances but for the non-controversial and unexceptionable purpose of fulfilling stated policy objectives—highlights a second major cause for the proforma functioning of the developmental agencies, namely, the gross unsuitability of the structure of these organizations for carrying out the tasks they are meant for.

The various government agencies charged with different developmental tasks are all, despite a considerable variety of forms, modeled after the bureaucratic structure and bureaucratic mode of functioning of the traditional (regulatory) government departments engaged in the maintenance of law and order, revenue collection, etc. In particular, the norms of "financial propriety" that are prescribed for all government organizations, and which date back to the days of the colonial administration, have been extended unquestioningly to developmental agencies as well. Through their control over expenditures, they (the financial norms) exercise an all-pervading influence on the activities of any government organization. As a result, these agencies too tend to be procedure oriented like the regulatory departments. While such an orientation may be all right for the latter, where the emphasis on procedure at least has the merit (in theory) of assuring impartiality of treatment to those concerned, it is obviously not appropriate for organizations engaged in developmental tasks, which are to a large extent entrepreneurial in nature and need, therefore, of necessity be results oriented.

The policy implication of the above analysis obviously then is that a revamping of the structure of those governmental agencies that are engaged in development work is called for. This is, of course, easier said than done for there are no ready made solutions available. Concrete alternatives to bureaucratic systems for public funded bodies need to be evolved, based on modern research in organizational theory and design, and the known dysfunctions of the bureaucratic model. At the heart of any such exercise would have to be a set of "financial norms" that retain or improve upon the vigilance of the existing ones over the spending of public funds but do not, at the same time, inhibit imaginative action, since the financial norms are the key to, and often the last stumbling block in the removal of, many of the dysfunctional features of the bureaucratic model. Provision should be made for condoning expenditure incurred in good

faith and with good reasons in cases where it does not lead to the intended results due to factors beyond control. The greater freedom and flexibility to spend carry with them, of course, the risk of waste and misuse but these could always be guarded against through effective controls.

One such check could be through decentralization of the administrative and political set up. If the responsibility for disbursement and utilization of earmarked funds was placed with the local self-governing bodies, there would be a built-in mechanism for popular pressures to exert themselves against misuse and waste, since the local community would be directly and visibly affected. Such a step would also offer tremendous other advantages, including above all, the promotion of grass-roots level democracy.

Apart from financial rules and regulations, another major area for policy action aimed at structural overhauling would be in attitudinal change. The prevailing ethos of discouragement of initiative, trial and experimentation would have to be transformed into a climate of trust, respect, and due allowance for bonafide actions, even if unsuccessful. This is, undoubtedly, an even more difficult task and would require as a prerequisite, exemplary display at the higher levels before it can percolate down. It might, however, help if certain mechanisms capable of bringing extra-organizational pressures to bear on the functionaries concerned were created. Thus, for example, if the target or client group to be served by each organization is clearly identified and a non-official body representative of the clients be recognized as a legitimate organ for evaluating the performance of the organization, the vicious circle perpetuating a decadent ethos within the organization could perhaps be broken. Functionaries like those described in the caselets could then hope to bring to bear the countervailing power of the client bodies in support of bonafide actions whenever they fall short of the narrow and rigid organizational requirements. Such bodies could also

serve a useful purpose by acting as vehicles for providing feedback to the developmental agencies, and thereby breath fresh air into them, countering again the tendency of the organization to develop a closed and narrow outlook divorced from its real purpose.

These recommendations are only illustrative of the directions that the search for alternatives can take.

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(The following caselet will be discussed by panelists in the next issue of *Vikalpa*. Readers are invited to send in their diagnosis and recommendations—Editor)

The case of a conscientious commissioner*

When Chattopadhyay took over as commissioner of the Municipal Corporation of City-C in 1966, his major function was to streamline the administration and evolve norms and traditions, as City-C was converted from a borough municipality into a municipal corporation under his commissionership.

Under the Act of 1949 there is a complete division between the legislative and executive functions of the municipal corporation. The legislative wing consisting of councillors, selected every five years through universal adult franchise, is entrusted with the function of legislation of programmes, policies, and rules. The legislative wing consists of a General Board with elected councillors and a *statutory standing committee* of about a dozen members selected on the basis of proportional representation of various political groups. Besides, there are various optional subject matter committees such as health, water supply, electricity, recreation, etc., consisting of between 5 and 7 councillors.

*This caselet is based on Professor Anil Bhatt's two earlier studies: "Colonial bureaucratic culture and development administration," *Journal of Commonwealth & Comparative Politics*, Vol. XVII, No. 2, July 1979; and "Municipal commissioners: Structure, process and styles," *Nagarlok*, Vol. X, No. 2, April-June 1978.

The executive wing consists of several departments like revenue and estate, engineering, etc., each having a senior officer as its head. But these officers, unlike the commissioner, are employees of the municipal corporation, while the position of the municipal commissioner is statutorily provided by the Act. He is a state government employee, generally belonging to the IAS cadre and holding a senior position. The commissioner is the Chief Executive of the municipal corporation. All the departments of the corporation report to him and the whole municipal administration is directly under the commissioner. The Municipal Corporations Act not only envisages a complete dichotomy between the legislative and executive functions but also makes the executive very strong. Since the municipal commissioner is a state government employee belonging to an all India cadre, and appointed by the state government, the local municipal body has very little control over him. Though a commissioner can be removed by a vote of five-eighths of all the councillors, this is a power only in name as it has never been put to use as yet. Legally, all other municipal officers are not supposed to take any orders or instructions directly from the elected corporators. A commissioner can prevent his officers from even meeting the corporators if he so desires. The municipal commissioner prepares the municipal budget and takes to the general board all proposals for various programmes and projects. The general board can act only when proposals are brought to its floor by the commissioner. Even after the proposal is sent to the board meeting the commissioner has a right to withdraw it. Although usually commissioners attend the general board and standing committee meetings, they are not obliged to do so. Not only is the commissioner's position strong and independent in relation to the elected local body, he is also visualized by the Act as a non-partisan guardian of the city's interest. Thus, the commissioner may not answer any question in the