Introduction

The new global economic system has become a big problem to the developing economies. Such economies are passing through a period of dilemmas, contradictions and social challenges. The reasons may be attributed to the pressures exercised by the developed economies through WTO, structural adjustments, competitive markets, regionalisation of economies and domestic realities. The new global economic system has emerged as a problem rather than solution to the developing economies. It has generated more poverty than affluence, social disorders, heavy unemployment, and administrative corruption. Developing economies more specifically big and overpopulated countries like India have become the victims and losing their properties, culture, heritage, export, social identity etc. On the other hand, the new global economic system has become a method of exploitation, earning, market, political interference, etc. In sum, developing economies are losing everything while developed countries are getting everything. In the Asia pacific region, most of the developing countries are under heavy debt of the IMF and the World Bank. In such state of affairs, India is struggling to save its own socio economic system, in order to find a suitable strategy in the reign of dilemmas, contradictions and challenges.

Since India is a poverty-ridden, overpopulated and a big country in the South Asian region, the administrative system is solely responsible to find out a solution of the problems generated by the new economic system. Several economists in many international conferences have outlined the role of the state in development more specifically in the global economic system. Most of the economists have advocated the role of the state as "information cum service delivery state", "level playing" and regulatory mechanic." Those advocacies were designed in the specific context of the technologically advanced and industrialized countries. For the developing countries, privatization and liberalization of the welfare services sector was advocated. Several top economists of the developing countries have attracted the attention of the developed countries and the international donor agencies over the problems of the developing countries n the adoption of market economy as well as clearing the ground for privatization and liberalization. They argues that history can not be settled down into any single mold. Therefore, the developed countries' emphasis upon market economy and privatization of state liabilities will not be as much effective as in their own countries. Developing countries have to evolve their own strategies of development. For example, finance and structural adjustment programmes are difficult to balance in a

developing society like India. Administrative reforms, a part of structural adjustments, are required to be seen in the light of the burden being carried out by the developing countries as the welfare state. After the debacle of some of the East Asian economies in the late 1997 is to justify the plea of the developing countries. Further the cost of administrative reforms will also be a major factor in the politico-economic crises. Beside this, the later-effects of administrative reforms are also to be managed in a very careful way as these may cause the national integrity and the culture. Administrative reforms are also required to be supported by the domestic economic environment and the culture besides the public support and institutions. Some of the studies on the collapse of East Asian economies in 1997 have pointed out that the administrative reforms in these countries (Indonesia, Malaysia, Thailand) were not carried our efficiently and therefore have not yielded efficiency to satisfy peoples’ expectations after the adoption of new economic system. It is also argued that the administrative reforms were focused in the economic sector and other sectors were not touched in order to support the economic administrative reforms. Consequently, such reforms could not get success and were made ineffective in the whole administrative system. Last but not least, administrative reforms must be supported by political stability and democratic ways of operation. In developing countries, political consensus on administrative reforms, political stability, and matured outlook on the democratic ways of operation have yet not emerged due to political compulsions, party agendas and coalition governments. The question of political stability is a very complex problem of India, it can be pointed out that the introduction of new economic policy in 1991 has brought political instability in itself as the previous governments have not been able to convince the masses about the market economy. Strong political and mass movements against the market economy have brought in its wake political instability after 1996 and India has undergone twice for general elections between 1996 to 1998 but political instability is continuing in the political sphere. In a country where 45 percent population is below poverty line, the introduction of market economy needs a careful implementation at the administrative level. Administrative support to the new economic policy is still a far dream of the market directed administrative reforms. Wide spread strikes in central and state governments, public sector enterprises mainly in banking and financial sector have again cautioned the governments to be very careful in implementing the GATT / WTO agreements in the administrative system like disinvestments in public sector, opening of insurance and media sector to foreign investors, merger of banks, etc. The administrative reforms being carried out in India were aimed to redesign the administrative system consistently in order to achieve the aims of the market economy. The “rational choice” approach to the political economy of public institutions is governed by the “rent seeking” forces. And there was a major thrust in the administrative reforms that the would / should be the role of the administrative institutions in the “rent-allocation” process in a market economy. However the political

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instability in India has not provided much choices to the political leaders to make a balance between the renter and their interests and also competing interests of the masses, consumers, producers and capitalists. Most of the administrative reforms in India, therefore, have been directed by the political implications than the administrative efficiency, service or market choices. For example, trade in services policy was outrightly rejected by the Indian voters in 1998 general elections. The role of government as “rent-allocator” was also discarded by the domestic industrial sector as the economic depression in the Indian markets could not be ended even after the introduction of independent regulatory mechanisms and reforming the administrative institutions. For example, Indian primary and secondary capital market was depressed after 1994 till today and the establishment of Securities Exchange Board of India (SEBI) and the changes brought in banking and non-banking financial institutions failed to generate the market. Administrative reforms were also introduced to generate more professionalism in the government services but the non-material determinants of reforms like caste, religion, regionalism, language etc. have been more influential than professional commitments and administrative efficiency and effectiveness have remained the far-reaching dreams. For example, reservation policy for scheduled caste and tribes, backward classes have created obstacles in the way of professionalism, as it is not based purely on merit but on the reservation of positions for such castes / classes. Merit is the backbone of professionalism in any services. Reservation for such castes and classes in the government services is around 47 percent. Since the issue of reservation is related to votes in general elections and hence political power is committed and sustained by the votes of such castes and classes, no political party is seemed to go for its abolition. Another reservation problem is to emerge from the reservation for women (minimum 20 and maximum 33 percent) in government jobs. Such kind of policies are to question the implications of administrative reforms. Corruption is a world wide phenomenon and does exist in all societies, however, the level of efficiency in providing world class services in a competitive world is to become a parameter as well as an attraction when the developing countries aspire to collaboration with the MNCs of the administration of the developed countries more particularly in the foreign direct investments in the infrastructure sector. Delays in decision making, lengthy procedures, over-controlled mechanisms and poor management of development plans are to raise the questions pertaining to accountability of public servants. The experiences of the East Asian economies and their crises tell us that more collaboration with MNCs and dependency on FDI is not good in long run to the developing countries like India. To avoid such situations, administrative reforms must be aimed to gear up for accountability so that such situations will not come to India. Beside the financial crisis situations, administrative accountability is also related with the social cost as the consequences of liberalization on social modernization and social destruction as well as cultural decay pose the problem of accountability. Public services are required to be accountability to the social cost emerging from the social change. Therefore, administrative reforms must be carried out in the context of the social cost also.

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New economic system in developing countries is to be understood in terms of administrative modernization. Technology is a key variable of it. In these countries, the conflict between the use of technology and the availability of huge manpower is a major issue of administrative reforms. For example, computerization of office-work, procedures and records is severely opposed by employees organizations / union in view of emerging unemployment market. Since India is passing though a period of economic depression, unemployment will become a major problem of the country as the technology is replacing the man. Another related problem is of deliberate avoidance of technology by the government employees in their respective organizations as it prevents them to adopt corrupt practices. Involvement of employees in the maximum use of technology is a problem of administrative modernization.

In a central planned economy,. Administrative decentralization and deconcentration is a vital issue of administrative reforms. In the adoption of liberalization and privatization of service sector, decentralization is considered a highly risky method of reforms. Decentralization in developing economies is generally considered as a synonym of corruption, inefficiency and discretion. Therefore, decentralization is avoided and done with great care and cautions. Fro example, state governments have not been authorized to clear foreign direct investments proposals. After a long time, state government were authorized to clear such proposals in power (electricity) sector only at their own level but such clearances will be subjected to the final clearance of the central government and State Electricity Board Regulatory Authority. In such situations, administrative decentralization is to become a crucial issue. Deconcentration of administration structures in metro and big cities of the country is a point of administrative reforms in order to provide services to the masses as well as to make realistic planning and strategy of development. A very thoughtful exercise is needed to deconcentrate administrative structures as these are practical and human problems involving several complex situations in the deconcentration process.

The issue of cutting down the size of staff in the government services is a very sensitive problem and it has its own several dimensions. However, the arguments of developed countries and donor agencies are difficult to accept both at the government and the staff level. At the government level, downsizing the administration is against the idea of welfare state in a highly poverty ridden country and government will not be able to carry out its social development programmes. The new ways of carrying out such programmes like involvement of non-government organizations (NGOs), voluntary organizations and the private sector have not been very effective in the Indian conditions and the cultural setting of the country. The question of human rights and trust of Indian poor masses are the crucial issues which need to be understood in the context of downsizing the staff strength in government. On the staff side, it is not acceptable as it will affect the morale and motivation of government employees.

Another very significant issue of administrative reforms is concerned with the legal structure of the country. In an era of privatization, macro regulation by an independent institution more particularly in the situation of conflict between government and the private sector is considered as maintaining balance

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of economic aggregates, promoting optimum economic structures and ushering in a new and modern economic systems. Such macro-regulation is also trusted both by the private and foreign investors. However the exclusive powers of the general courts to intervene and direct such independent regulatory authorities has now become a problem in administrative reforms. Such independent authorities, face difficulties in the delivery of services to the customers in a competitive market. The concepts of ‘welfare state’ and ‘model employer’ imposed by general courts on the entrepreneurial government in market economy has generated a debate over the legal structural reforms in India. It is being argues that the jurisdiction of general courts in a competitive economic era be restricted and more autonomy and independence be provided to such independent regulatory authorities.

In developing countries like India, introduction of market economy and restructuring the administration to suit the needs of the economic system has started debate over the conventional or the monocratic role of administration as characterized by instrumentality, unity and rationality to a transfigured administration through “market type mechanism.” In a vast, overpopulated, poverty-ridden and culturally diversified country, the new role of public administration has become a issue of debate, analysis and criticism. Political instability, economic depression and dominance of MNCs or foreign investors has put more burden on the shoulders of public administration in India. In such situation, a very careful and cautious strategy of administrative reforms is needed in India. The experiences of South and East Asian economies have also made government to become extra careful in devising a proper and more suitable strategy of administrative reforms in the country.

Since the beginning of new economic system in 1991 till 30 April 1998, the basic strategy of administrative reforms has been to continue the old British administrative services and structures in the regulatory system of administration, evolution of policy framework in government activities, decentralization of developmental decision-centres and activities, creation of trade organizations in service and business sector, privatization of non-essential and consumer services, participation of private sector in commercial and business administration, establishment of independent authorities to regulate commercial and business contracts and agreements in government services, abolition of inspectors system, minimizing discretionary powers of authorities, abolition of bureaucratic obstacles and bottlenecks, more transparency in government decisions, activities and contracts, grant of right to information, simplification of laws, rules and regulations, procedures, deconcentration of administrative structures, downsizing the staff, involvement of technology in office management more specifically computerization of procedures, records and correspondence, and minimizing the chances of corruption in administration, avoiding legal battles, abolition of unnecessary administrative organizations, tax and tariff reforms and redesigning the economic organizations and institutions, etc. In this reform strategy, major emphasis was laid down on policy designs and framework. However, policy reforms is not a priority. Policy choices and alternatives were not evolved. Policy making centers are confined to administrative officials. Peoples participation and specialized and professional organizations are being still ignored or not prioritized. Imbalance between the regulatory and developmental role of administration is also an area
of policy evaluation in the study of new economic policy and administrative reforms. In these reforms, internationally competitive government organizations to protect the interest and property rights of the country were not seriously considered in designing the administrative reforms for the implications of GATT/WTO and human rights declarations and conventions. Consequently, India is facing losses of billions of dollars at the international level. Publicity of reforms at the international level was also ignored. Training was not properly catered to bring attitudinal and orientational changes in the administrative system. However, the administrative reforms process is still going on a significant change in the Indian administrative system can be seen.

Major Administrative Reforms:


In 1991, India’s adoption of new economic policy was not implemented speedily as the Narsimha Rao’s government was not equipped with full majority in the Indian Parliament. Due to minority government till 1996, administrative reforms were carried out with the consent of the opposition parties and the administrative officials and staff. After the general elections in 1996 & 1998, coalition governments headed by three successive Ministries i.e. Mr. Devegowda, Mr. I.K. Gujral (1996-98) and Mr. A.B. Bajpai (From 19 March to till today) were also not prompt and active in bringing drastic changes in administration. The major focus of minority and coalition governments was to evolve a general policy framework and simplification of administrative process and to provide some policy as well as administrative facilities to private and foreign investors. However a brief review of administrative reforms is given below in order to have a basic understanding of correlation between the new economic policy and the administrative apparatus.

1. The Policy Framework in major areas of Administration

In the last 7 years (1991 – 98) the major thrust of governments was to evolve a policy framework in the major areas affecting the total economy of the country. Several policies were announced during this period like Industrial Policy, Export-Import Policy, Agriculture Policy, Banking Policy, Tourism Policy, Health Policy, Foreign Direct Investment Policy, Power Sector Policy, Water Policy, Environment Policy, Motor Vehicle Policy, Railway Gauge Conversion Policy, Media Policy, Insurance Policy, Rural Development Policy, Income Tax Policy, etc. In evolving the policy framework, the major emphasis was put on the development of infrastructure sector with the collaboration of private and foreign investors in order to generate more employment and to reduce the number of below poverty line people. Joint ventures were promoted in core and consumer items and the investors were motivated to initiate in the market economy. These policy frameworks have provided a set of directives to the administrative officials to act on the thrust of such policies. Necessary amendments / modifications made in several laws, rules and regulations to abolish bureaucratic discretion,
obstacles, delays, redtapeism, problems, etc. Further, policy reforms were also introduced to provide a suitable environment for development.

2. Establishment of New Administrative Organizations

To implement several policies, a major reshuffle was carried out in the Union Government Ministries / Departments as well as some new organizations were also created. However the Ministry of Finance, Home Affairs, Commerce, Education, Personnel, Pension and Administrative Reforms, Civil Aviation, Transport, Environment, etc. were redesigned to suit the needs of the new economic system. Some of the administrative positions were either abolished, redesigned or renamed to cutdown the size of ministries and bring efficiency and effectiveness in administrative operations and activities. Agency system was also introduced in the ministries of Agriculture, Tourism Civil Aviation, Media (Television and Radio) Telecommunication etc. to reach at the downtrodden areas and people of the country. Agency system was a partially successful experiment to deliver services / goods in rural areas and to the poor people. It (Agency) has also generated employment in non-governmental sector to deliver government services, and reduced the burden on government both in terms of money and staff. Some of the ministries have also been reoriented for privatization and foreign collaboration or joint ventures like Civil Aviation, Telecommunication, Broadcasting, Power (electricity) etc. In some of the ministries, new administrative organizations and institutions were created.

1. Ministry of Finance
   a. Chance Board of India (SBI)
   b. Banking LokPal (Ombudsman) of India
   c. Export Processing Zones Council
   d. Foreign Direct Investment Board

2. Ministry of Home Affairs: -
   a. Special separate Department of Jammu and Kashmir State for Development purposes and tourism
   b. Special cell for Scheduled Castes / Tribes and Women and Children,
   c. Special force for Command riots, conflicts and problem areas,
   d. Special cell for identifying infiltrators in Assam state and to control insurgency in North-East states.

3. Ministry of Commerce and Industry
   a. Over the Counter Agreements
   b. Single Window License System for Export
   c. Export – Incentives System
   d. Patents Review Board
   e. Intellectual Property Rights Protection Board
f. Monopolies Restricted Trade Practices Commission (MRTPC)
g. Trade and Tariff Review Council

4. Ministry of Power
   a. Central Electricity Authority (for Technical Aspects)
   b. Central Electricity Regulatory Commission (27 April 1998 for Tariff purposes)
   c. State Electricity Regulatory Commissions
   d. High Power Committee to clear Power Sector Projects in Private Sector

5. Dept / Ministry of Telecommunication
   a. Telecommunication Regulation Authority of India
   b. Telecommunication Commission of India

6. Ministry of Information and Broadcasting
   b. Cable operators Promotion System

7. Ministry of Personnel, Pension and Public Grievances
   b. Training of All India Services – Divided among five training Institute in the Country;
   c. New Schemes for Pension to Central Government employees were introduced.
   d. LokPal (Ombudsman) bill to be introduced in the Parliament in June 1998 to redress public grievances against public servants;
   e. Right to Seek Information of Government Decisions which do not fall in the Official Secret Act;

Beside the some of the above mentioned administrative reforms in the major ministries of the Central government (which were directly concerned with the new Economic Policy), some initiatives were also taken to improve the economic conditions in the different sectors and some independent institutions were created: -

   a. Human Rights Commission
   b. Women’s Development Commission
   c. Children Labour Exploitation Protection Board
   d. Minimum Wages for Agricultural Labour Commission
   e. Pay Committee for University and College Teachers in India
   f. Narsimlan Committee to Reorganize the Banking Industry

In setting up these institutions, the major thrusts of the government was to deregulate and decentralize the administrative system, we would discuss the major issues of it.
Deregulation

In the new system of the country, government has tried to deregulate some of the core and consumer areas where government regulation was creating obstacles in the development of industry like deregulation of cement, non-petroleum products, sugar, steel, milk-products, liquor, gold-silver, electronics, computer softwares, telecommunication equipments, paper, edible oils, soaps, cosmetic prices. Government is also considering to deregulate those areas where problems are more acute like urban land, cooperative, housing, drinking water resources, leather and shoe industry, medical and health care services, textile industry, refrigeration industry, etc. Government is also inclined to deregulate those areas where healthy competition can bring efficiency and foster development like Bank interest rates, non-banking companies, environment friendly companies, higher educational institutions more particular foreign universities, foreign exchange, full convertibility of Indian Rupee in Current account, media-foreign newspapers publication in India, Insurance (20% deregulation proposed) Sector, etc.

Although government is prepared to deregulate more sectors of economy in order to abolish licensing system, pricing, storage limits, transportation. There are three major problems to deregulate rapidly: - A) poor masses and unaware consumer; b) lack of technology in marketing and c) large size of staff, keeping these problems in mind, the Government is deregulating the sectors on priority basis.

Decentralization

In a centrally planned economy, decentralization is a big problem both politically and administratively. A major step was initiated in 1993 – 94 to create a third tier of Indian federation by constitutional amendments have brought drastic changes in the Indian urban and rural local governments. These amendments have brought drastic changes in the Indian urban and rural local governments as these governments were empowered with constitutional rights, duties, resources, finances and representation. Political level of these governments was made more accountable, responsible, autonomous and powerful than administrative level. Personnel of all India Services were brought under the control of the local government. District Councils (Zila Parishads) and block Councils (Panchayat Samities) were entrusted the task of planning and development. As such, decentralized planning was enlarged at the local level. Participatory democracy and governance system was evolved. In the new economic system, local authorities were encouraged to develop the region / area by industrializing of a marketing system. For the diversion of powers and resources, between the state and the local governments, State Finance Commissions were setup and separate financing institutions like banks were evolved to strengthen the local governments. Village Panchayats were also allowed to take up new measures to protect the small and medium farmers from the repercussions of the new market
economy by providing incentives, subsidies and different assistance. On the whole, decentralization of the governance structure has equipped the local governments to meet the challenges of the new market economy. New, the elected and administrative officials should try to extract the benefits of the new economic system of the country.

**Ensuring the Use of Modern Technology**

One hundred fifty years old British Patterned administrative system is being restructured, equipped and reoriented towards the new challenges of the economy. The Government has provided special funds for its modernization through the use of modern technology like computers and various means of information technology. Office procedures, data-storing, records and preservation of several documents are being computerized. Communication technologies are being provided even at the village-level official machinery in order to link up the whole administration in a national network. More emphasis is laid on remote and hilly town to link up them with the district and state administration. Police and other security network is also being equipped with the latest technology of information, transportation and communication to meet the challenges of new economic system, Ministries / Departments were allowed to use the modern technology from the private sector or to privatize such services in their respective organizations. Although, the task of using modern technology needs huge funds, resources and satellite capabilities of the country but may be hoped that the task will be completed in the nineth five year plan (1998-2002)

**Reform of Public undertakings:**

The constitutional guarantee of bringing ‘Socialism’ and ‘welfare state’ was ensured by a big setup of public undertakings during the last 40 years. But the announcements of new economic policy in 1991, 1996 public undertakings were incurring heavy losses and not helpful in competing the global economy. To redesign and restructure them in the new set up, some of the public undertakings were partly sold through shares / debentures. A disinvestments commission was set up to review the government policy of investments in these undertakings. The commission’s suggestions are being studies by the central government. However, investment in loss-making undertakings will be discourages and investment will be on priority and service basis. Profit-making undertakings were also opened for joint ventures, or for private and foreign investors. Nine public sectors / areas undertakings were declared ‘Navratna’ (Nine precious stones) as these were the base of the economy, security and interest of the country. Beside this, to reform the public sector in India, the Government's reform policy of public undertakings is mainly centred around the divestment or disinvestments, down sizing, privatizing through various means and types of public sector, global competitiveness, profit, and priorities of the economy. Further, area or sectorwise regulatory system is also being evolved to sortout the differences
between the ministries and the public undertakings, to protect the users and consumers, to
decide the tariff and trade, to maintain a minimum standard of services, efficiency and
effectiveness and to generate a system of trust in the public services. Inspite of all these efforts,
public undertaking in India constitute a large part of economy, it is not a easy task to discard
them. Public sector reforms will take a long time to produce good result in the Indian economy.
The experiences of the East Asian economies are preventing the central government to take
drastic steps in the public sector.

Ensuring Trust in the Civil Services

The British legacies in the Indian administration have been very strong and influential and
it is becoming very difficult to change the image of civil services in the Indian people. Civil
Services are considered the symbol of authority, corruption and favoritism rather than servants
and meritocracy. In the present new economic scenario, civil services have occupied more
profitable positions in the society as the chances of security, corruption, favoratism and discretion
in civil services increased. To maintain standard of services, and to avoid these problems in the
new economy, government has activated its anti-corruption machinery like CBI, anti-corruption
bureau and state level ombudsman (Lokayukta) in state administration and also considering to
establish a national level Ombudsman (LokPal) to investigate such corruption charges. The
scope of national Ombudsman will be extended to Prime Minister, elected representatives and
government public officials. The definition of ‘Public Servant’ is being enlarged to widen its scope
of activities. Beside this, rules, regulations and official acts are being modified and amended to
delimit the discretionary powers of the all India Services in public administration. Further,
government has also provided legal right to its citizens to get information on administrative
decisions which are not to come under official secrets Act. Parliamentary committees /
commissions were also strengthened to control administrative machinery. Peoples councils /
committees at district and block level will also be established to review the administrative
discretion. Transparency in administrative activities will be ensured though publication and public
notices, Janata Adalat (People’s Court) and open Janata camps, special measures suitable to the
culture and the Indian rural and illiterate masses are being devised to settle disputes between
administration and the citizens. Personal liability of administrative officials in the matter pertaining
to public complaints and grievances is being fixed. Consumer protection courts have been set up
in service sector like telecommunication, electricity, railways, roadways, civil aviation, etc. Policy
system is being revamped. A Policy Reforms High Power Committee is being set up to
restructure, reorient and redesign the police services. Citizen’s rights in the case of arrest are
being ensured to minimize police atrocities and cruelty. Judiciary is also playing a key role in
ensuring reliable, transparent and efficient public administration system. Judicial activism has
brought a significant change in administrative decisions and policy implementation. Beside this, new ways of financing development plans and programmes are being devised in order to bring closer the administration and the citizens for mutual trust and understanding of practical problems in the Indian setting. These some of the measures may generate trust and confidence in civil services and will re-establish an image of efficient and effective civil service. However, there is great need of bringing professionalism, specialism and secular outlook in the Indian administration which is still a lacunac in the Indian Civil Services. Efforts in this direction are not very effective.

**Poverty Eradication Programme Machinery**

Since India has a huge section of population (45 percent) below poverty line due to overriding reasons, the government has established administrative machinery to abolish the below poverty line population by 2005 AD. For this, Rural Reconstruction Ministry, Integrated Rural Development Programs Department, 20 Point Programme Department, Urban Development Ministry, etc. are responsible to eradicate poverty in the country. Beside this, similar departments, agencies and organizations are operating at the state level. However, the percentage of below poverty line population is not reducing inspite of heavy investments in poverty eradication programmes, as a large section of money is spend on the big administrative machinery and a very little amount of money reaches to these people. To cut such spending, the government has devised some new schemes and programmes in which the role of non-governmental organizations and voluntary organizations will be enhanced to implement poverty eradication programmes. Now, the government is reducing the number of employees in these organizations (Ministries and Departments) so that more money could be available to the programmes. Implementation of some programmes is solely privatized or is handed over to NGOs and VOs like family welfare programs, vaccination of children and their mothers, hut-making etc. Some of the programmes are started to be run with specialized agencies and NGOs like literacy programs in rural areas, distribution of life saving medicines, eye care programs, handicrafts making in rural areas, sale and purchase of rural products, unskilled workers’ training programmes, the government departments can not discard their responsibility. However, the efforts of government to reduce its burden is being shared by the NGOs but the sole responsibility lies with the government and its administrative machinery. The effects of the administrative reform to develop an alternative for socio-economic development was also appreciated by the World Bank and some other donor agencies. In spite of these efforts, there is a very serious question to the market economy advocated whether global new economic system will reduce or increase poverty in overpopulated countries like India. India’s Planning Commission’s reports of 1992-96 clearly indicated that market economy approach is increasing the gap between the rich and the poor and the percentage of poor has increased during this period. The administrative reforms has not much contributed in the poverty
eradication programs. NGOs and voluntary organizations have not been successful to share the burden of government in poverty eradication due to socio-economic reasons.

An Assessment: -

India’s administrative reforms were carried out under the pressures of the World Bank and other international donor institutions as a part of structural adjustment programme in the developing countries. Beside this, administrative reforms were also made to implement the WTO/GATT agreements in the economy of the country. However, it must be noted that: first, no basic change or reform was made in the basic structure of the civil services. The 150 years old British patterned structure was continued in the new economic policy; second, these reforms were made at the operational and procedured level but policy-making (Secretariat / Departments / Ministries) level was unaffected. Third, such reforms were aimed for the economic system and the general public or masses were not facilitated by these reforms. For the public, the same old civil services are being continued; fourth, these reforms were not supported by the state administrative system both at state and local level. Hence, no significant change at these two levels was seen. And, lastly, the critical issues of reforms like downsizing, entrepreneurial and managerial civil services were not resolved due to political instability, minority governments and political differences.

Looking at the ministry level reforms, most of the reforms were regulative, contractual and procedural in nature, the creation of new institutions in various sectors of the Indian economy was to make sectoral planning, regulation and to providing services mainly to the private and foreign investors. Poverty ridden people were untouched and consequently poverty eradication programmes were not supported by the market economy. Administrative reforms were not able to bridge the gap between the market economy approach and the poverty eradication programmes. Institutional arrangements were made at the surface level of the Indian administrative system and a clear cut and visible conflicts on the scope of rights between the central government ministries / departments and the independent institutions can be seen. (For examples, conflict between the central Department of Telecommunications and the Telecommunication Regulatory Authority of India). The crisis in the East Asian economies has put a negative effect on administrative reforms and the structural adjustments programmes in India as several suspicions were expressed over the GATT / WHO agreements and the Central government hesitated to make further reforms, however committed to liberalization in its announcements. Last but not least, it must be kept in mind that administrative reforms are on-going processes are conditioned by the socio-cultural setting of the country. Although the pace of reforms is slow but is concrete and solid in its effects on Indian administration.
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4. Major ruling parties like Congress in Madhya Pradesh and Bhartya Janata Party in Rajasthan, Haryana, Maharashtra States experienced unexpected defeats of their candidates as these state governments have tried to introduce trade in service policy in their respective states. As such, India has shown that trade in service sector is not politically sustainable and may generate more political instability in the country.


