The Indian Administration
A Saga of Continuity and Change

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The changing nature of the administrative system in India has occurred due to the paradigm shift in economic ideas and policies—from a state-centric economy to a neo-liberal market economy. If India wants to fulfil its promise of self-reliant and inclusive development as part of the centenary celebrations in the next quarter century, it is absolutely crucial to achieve a citizen-centric administration.

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The saga of continuity and change in the Indian administration is examined in the shifting context of development paradigms in India—from a state-centric economy to a market economy—which significantly affects the functioning of the administrative system. The Constitution has an elaborate legal framework that articulates the vision of a welfare state and, by implication, provides for the creation of citizen-centric governance. It has redefined value premises of administrative systems that were designed during the colonial period, in terms of its structures, procedures, and functioning of institutions of governance. These changes have both profoundly and critically impacted the functioning of administrative systems. The balance sheet of the Indian administrative system during the past three-quarters of a century provides a mixed picture of continuity and change.

The Continuity Context

The contemporary Indian administrative system is characterised by a heterogeneity of structures and practices that symbolise the features of British administrative systems. India inherited the democratic structure of governance following the British parliamentary system and administrative systems and practices. The Government of India (GoI) Acts of 1858, 1909, 1919, and 1935 largely laid the foundations of the structure of the government at the union and state levels. The important institutions that were inherited from the colonial period include the central secretariat, All India Services, Comptroller and Auditor General, the Reserve Bank of India, the board of revenue, divisional commissioners, and district collector. India continued the higher civil service system by making suitable modifications, including the nomenclature of civil servants.

During the first four decades of independence, India pursued welfare-economic policies based on relative self-reliance, import substitution, industrialisation, and bargaining with powerful industrial countries on terms and conditions for foreign assistance in India's economic development (Bhambri 1996). The government played a crucial role in strategic sectors such as defence, energy, infrastructure and irrigation projects, roads, power development, and the establishment of basic and heavy industries as public sector undertakings (PSUs). The objectives of the public sector institutions were to achieve a high growth rate, build up indigenous capacity, bring balanced regional development, prevent concentration of economic power, reduce income inequalities, etc. It created new institutions such as the National Development Council, the Planning Commission, and independent regulatory bodies to plan and monitor government programmes.

The government also accorded priority to (i) structural reforms—abolition of zamindari, imposing a ceiling on land holdings, and tenancy reforms to reduce economic inequalities; (ii) institutional reforms—establishment of democratic and decentralised institutions and special agencies, nationalisation of banks to enable the people to take part in governance, and access to financial institutions; (iii) incremental reforms—launching and execution of programmes such as the Twenty Point Programme, foodgrain distribution, poverty alleviation and special programmes for Scheduled Castes, tribals, women, children, rehabilitation of bonded labourers, and the development of backward areas to eradicate poverty and improve the quality of life for the common masses (Chinnala 2021); (iv) federal policy reforms—appointment of commissions to maintain the balance of power between the union and state governments (GoI 1983); (v) administrative reforms—appointment of commissions to bring reforms in administrative structures and procedures and ensure citizen-centric governance (GoI 1968, 2009). However, the Indian state preferred incremental policies over structural policies such as land reforms that would have fundamentally solved the problems of marginalised groups (Haragopal and Chinnala 1988).

The growth generated by the planned approach, however, was insufficient to create an adequate surplus to accelerate the pace of capital accumulation, which is a prerequisite for the trickle-down mechanism to operate. It has been pointed out that the outcome of the developmental efforts was not in tune with the stated objectives, and public institutions could not make a significant positive impact on the socio-economic development of the people as they were not able to cope up with the needs and aspirations of an ever-growing population. The obstacles have been a bureaucratic administrative culture, negligence of professional responsibilities, abuse of authority for private benefit and, more importantly, the gross deficit in the governance of the country (Arora and Goyal 1995; Manor 1999; Bhattacharya 2000). These problems pose serious challenges to good governance. Dubashi (1986) observes that

> the core of the administrative machinery remains intact—in terms of internal organisation and relationships, that is, hierarchy, cumbersome rules and regulations within the departments and outside. The working of the departments has not changed much, although their central objectives are changed.

Public officials' lethargy and insensitivity towards the execution of government programmes have also been observed, and this has led to a gap between the stated objectives/targets of the government and its actual achievements.

The administrative committees/commissions highlighted the concerns for the effective implementation of the schemes. Their concerns include the lack of attention given to detailed planning and phasing of the plan schemes and projects, the complex and contradictory goals of the government, centralised decision-making, the district collectors' control over regulatory and development departments, lack of autonomy to the field level units to take decisions based on the ground realities, etc (GoI 1968, 2009). These and other factors resulted in widening social and economic inequalities and unrest in society (Haragopal and Chinnala 1989).

It has also been observed that, in the 1980s, the Indian economy became stagnant due to: (i) the slow growth of agricultural income, affecting or limiting the demand for industrial goods; (ii) a slowdown in public investment after the mid-1960s, which had a debilitating impact on infrastructural investment; and (iii) poor management of the infrastructure sectors, which led to severe infrastructural constraints (Ahluwalia 1985). The bourgeoisie and the landowning peasantry fought their sectarian battles by adopting strategies of political mobilisation based on religion, caste, or ethnicity.

The state, instead of restructuring the agrarian relations and enabling the deepening of the Indian market, has taken the option of the globalisation of the economy (Bhambri 1996). Besides, internal anxieties about structural reforms elsewhere in the world, which surfaced in the late 1980s and early 1990s, compelled the Indian government to opt for a market-economy model of development in 1991 (Chinnala 2021). Bureaucracy, however, was successful in managing the regulatory duties and remained unshaken even in periods of political instability at the union and state levels.

The Changing Context

It is important to understand developments that surfaced across the states after the economic reforms in the early 1990s, which have a bearing on the functioning of the polity and administrative systems. These developments include (i) the Mandal assertion—a demand of reservations for the socially and economically backward communities in public institutions/resources; (ii) the Mandir assertion—the Ram Rath Yatra led by powerful Hindutva groups for the construction of the Ram temple at Ayodhya; (iii) the middle-class assertion—led by middle-caste peasantry and powerful urban and rural middle classes demanding a disproportionate claim over national resources; (iv) transnational corporations searching for cheap labour and raw material and expanding their markets; (v) the World bank and the International Monetary Fund (IMF) advocating for the adoption of the structural adjustment strategy to free the market economy and allow the retreat of the state from its central role in the production system; (vi) encouraging Indian big businesses to launch joint ventures with multinational corporations; (vii) the World Trade Organization acting as a "watchdog" of trade in intellectual property rights and investment matters across the world; (viii) the advanced industrial countries appealing to India to allow market mechanisms to determine its macroeconomic arrangements; (ix) the higher echelons of bureaucracy and their linkages with the Indian capitalist classes and the World Bank and the IMF making them their willing partners in spreading global capitalism, etc.

The role of the Indian state/administration, according to the government, was to bring change in the mindset of the officials from a "commanding/centralised administration" to a "competitive" one in their functioning; the main thrust was to "steer" (giving broad support and directions to the stakeholders) rather than "row" (getting involved in actual operations of various social and economic activities) (Bhambri 1996). The upshot of these trends was that India had opted for the market economy model—a move away from its welfare economy model—that is, relatively self-reliant state capitalism (Bhambri 1996). Given this backdrop, it is important to understand the market economy development model and its consequences for the administrative system. The market economy period can be categorised into (i) "reforms with a human face"; and (ii) "minimum government and maximum governance."

Reforms with a human face: The United Progressive Alliance (UPA) government, keeping the challenges of the ongoing process of economic reforms in view, accorded priority to obliterating poverty and enacting rights-based programmes. It restructured the Twenty Point Programme of 1975 in 2006—focusing on eradicating poverty, raising productivity, reducing income inequalities, and removing social and economic disparities. The rights-based programmes include the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005, the Right to Information Act, 2005, the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, the Right of Children to Free and Compulsory Education Act, 2009, the National Food Security Act, 2013, etc, which sought to fulfil constitutional promises. These measures, particularly the MGNREGA and the public distribution system, mostly benefited the rural socio-economically poor households in improving their living conditions (Chinnala 2016; Drèze 2019).

To push economic reforms even further, the government established new independent agencies such as the Securities and Exchange Board of India in 1988 and the Telecom Regulatory Authority of India in 1997 to protect the interests of private investors/service providers and consumers. These institutions are different from regular executive departments in terms of powers, structures, procedures, and practices. The administrative systems and practices are governed by a new public management (NPM) and a public–private partnership (PPP) mode for the delivery of public services. The disinvestment policy of the government, however, in the PSUs/institutions resulted in pushing them to the status of becoming inept to compete with private institutions. The second Administrative Reforms Commission had advocated for a basic "paradigm shift" towards an "entrepreneurial government" model emphasising inputs instead of outcomes (GoI 2009).

Minimum government and maximum governance: The National Democratic Alliance (NDA) government endorsed the formula of "minimum government and maximum governance." It meant that the role of the government should be limited to that of a "facilitator" rather than a "provider" of services. The NDA government's strategy has been to establish a self-reliant India based on five pillars: (i) economy (quantum jumps, not incremental changes), (ii) infrastructure development, (iii) technology-driven systems, (iv) a vibrant demography with skill upgradation, and (v) the full utilisation of the power of demand and supply. The government also hastened the process of economic reforms by adopting pro-corporate policies, enabling the corporate houses—both Indian and foreign—to aggressively pervade into profitable sectors such as banking, trade, infrastructure, and insurance, where profit is the first motto and service to the citizens has a secondary role.

The NDA government's reforms include: one, a priority given to "indicative planning" (coordinating public and private investment through forecasts and output targets) rather than perspective planning for long-term development; two, reducing the corporate tax to 22% from 30% in 2019; three, promoting private investment in eight key sectors, including defence industries, coal, aviation, power distribution, space, and atomic energy; four, new labour law codes for the ease of doing business; five, introduction of legal reforms such as the Bharatiya Nyaya Sanhita in 2023 which replaced the Indian Penal Code of 1860 to address long-standing legal problems; six, introducing the concept of "lateral entry" in public institutions, which entails appointing professional/subject experts mainly from the private sector at the "joint secretary" level and involving them in policymaking processes; seven, promoting world-class infrastructure and improving India's competitiveness and economic growth under the Gati Shakti programme whose aim is to break inter-ministerial silos and integrate the planning of infrastructure projects; and eight, capacity building of civil servants under Mission Karmayogi, which is a national programme for civil services capacity building, focusing on equipping civil servants with domain, functional, and behavioural competencies. These reforms, according to the government, are the new horizons of growth, unleashing new investment, boosting production, and creating jobs (GoI 2020).

A major administrative reform is the move towards digital governance, which is considered a global standard of governance. Digital governance through biometric verification has become a new normal to execute welfare programmes related to pensions, education, health, and direct benefit transfer schemes. The government's attempts have been to make beneficiaries into "adaptable citizens" in order to suit its policies for retaining power over the governed. The move towards digital governance—without adequately reforming the structures, procedures, and budgeting systems—is resulting in the poor performance of public institutions (Ashok 2022).

The market economy paradigm is posing new challenges to the administrative system in terms of growing inequalities. The emergence of India as an economic powerhouse notwithstanding, it has been observed that growth has failed to trickle down across the geographical regions and among marginalised sections, rendering inclusive growth a major concern. The opening of the Indian economy to foreign capital has compelled the state governments to compete among themselves in their bid to attract foreign investors, and a deep divide has emerged between the backward and industrially advanced states of India, particularly during the past decade. This is aggravating regional developmental imbalances in India (Sinha et al 2023). Poverty, hunger, and inequalities are increasing. Oxfam India (2022) observes that, though India is the fastest-growing economy in the world, it is one of the most unequal countries, and the richest have cornered a huge part of the wealth created through crony capitalism and inheritance. The top 10% of the Indian population holds 77% of the total national wealth. The poor and marginalised communities are deprived of the fruits of development, suffer from chronic undernourishment, and struggle to earn a minimum wage and access quality education and healthcare services. Their discontent has not, however, consolidated into organised protests for a just society.

Concluding Remarks

India's development models show that there is a drastic change in our developmental approach from a planned economy to a market economy—from an emphasis on the public sector to disinvestment; from the promotion of public institutions to the encouragement of private institutions; and from maximum government and minimum governance to minimum government and maximum governance. The government's latest formulas—"one nation, one strategy for development," "one nation, one tax," and "one nation, one election"—are a serious challenge for India's federal framework. These trends will have a considerable impact on the administrative systems and their ability to deliver on the promise of inclusive development as well.

The administrative system's role is to ensure democratic accountability, the rule of law, professional integrity, and responsiveness to civil society. Nevertheless, India's administrative experience, in more than 75 years after India's independence is marked by (i) administrative systems following constitutional values in their functioning in the initial decades of independence; (ii) pursuing pro-corporate policies since 1991; (iii) the continuous shrinkage in the role and ambit of public institutions to address the age-old socio-economic inequalities; and (iv) undermining the principles of federalism. The changing context of governance has disturbed the core values of administrative systems built on constitutional values of integrity, impartiality, and neutrality of the bureaucracy.

The upshot of this discussion, however, raises some questions—whether the new regime of deregulation of the Indian economy has also resulted in a "debureaucratisation" (as perceived by economists); whether the bureaucracy has vacated its power in the execution of policies; or has it expanded its power and is enjoying "relative autonomy" of its own, especially in the name of managing the crisis of the Indian state. It is also important to ask whether administrative reforms have facilitated the bureaucracy to follow citizen-centric governance and inclusive growth and whether neo-liberal economic development allows the poor and marginalised communities to take an equal part in the processes of governance and development. These questions highlight real concerns for the Indian administration to address socio-economic inequalities and also to realise the government's goal of new India, where it aspires to become a global leader both in thought and action.

What is important for governments is to ensure citizen-centric administration based on constitutional values. To be more specific, the interests of citizens are to be placed at the centre so as to make the government more responsive, accountable, and transparent for ensuring that citizens are empowered to participate in decision-making processes on their own.

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