

Vision 2047

Administrative Reforms for a Viksit Bharat



INDIAN
SCHOOL
OF PUBLIC
POLICY

Flagship Report by Indian School of Public Policy

Table of Contents

List of Abbreviations	5
Foreward	7
Acknowledgements	9
Executive Summary	i
Introduction	1
Approach adopted	3
Objectives and structure of the report	5
Key features of the current administrative system and systems of urban planning and management	6
Form of the Government	6
Structure of the Central Government's Administrative System	10
Staffing	11
Workflow process and work culture	17
Issues emerging from the panel discussions and fireside chats	20
Concerns highlighted	20
Needs for strengthening as suggested	25
Addressing the strengthening needs	29
Improve internal collaboration	29
Strengthen collaboration with external stakeholders.	34
Strengthen innovation and risk-taking ability within the government	40
Competent Staffing	44
Strengthen institutional mechanisms for integrated visioning, oversight and implementation.	52
Strengthen economic development focus in the current systems of urban planning	58
Summary of Recommendations	63
Way forward	68
References	72
Annex - 1	77
Annex - 2	80
List of Ministries and Departments of Govt of India	
Annex - 3	84
List of Ministries aList of ministries / departments in select countries	
2. United States of America (USA)	84
3. United Kingdom (UK)	85
4. China	86
5. Canada	87
6. Germany	89
7. France	90
8. Japan	91
9. Australia	92
Annex - 4	93
Suggested list of Ministries and mapping of current ministries and departments into them	

List of Abbreviations

CAD: Canadian Dollar (Canada)

CEA: Council of Economic Advisers (USA)

CEO: Chief Executive Officer

CEPT: Centre for Environmental Planning and Technology (India)

CESL: Convergence Energy Services Limited (India)

CoE-UT: The Center of Excellence in Urban Transport (India)

COVID: Coronavirus Disease

CPC: Communist Party of China

DOGE: Department of Government Efficiency (USA)

EPU: Economic Planning Unit (Malaysia)

EUR (European Union): Euro

GBP: Great British Pound (British Pound Sterling) (UK)

GBPN: Global Building Performance Network

GHG: Greenhouse Gases

Gol: Government of India

GPS-EY: Government and Public Sector Services-Ernst & Young Global Limited

GS: General Schedule (USA)

HR: Human Resources

IA&AS: Indian Audit and Accounts Service

IAS: Indian Administrative Service

IFS: Indian Foreign Service

IIM: Indian Institute of Management

IPS: Indian Police Service

IRAS: Indian Railway Accounts Service

IRS: Indian Revenue Service

ISEO: Indigenous Student Employment Opportunity (Canada)

ISPP: Indian School of Public Policy (India)

JNNURM: Jawaharlal Nehru National Urban Renewal Mission

KPMG: Klynveld Peat Marwick Goerdeler

DARPG: Department of Administrative Reforms and Public Grievances (India)

NDRC: National Development and Reform Commission (China)

NDRG: Asia Pacific Disaster Research Group

NGO: Non-Governmental Organization

NITI: National Institute for Transforming India

OMI: Ola Mobility Institute

OPM: US Office of Personnel Management (USA)

OSR: Own Source Revenue

PAFI: Public Affairs Forum of India

PPP: Public-Private Partnership

PSC: Public Service Commission (Canada)

RIA: Regulatory Impact Analysis

RPJMN: Rencana Pembangunan Jangka Menengah Nasional (Constitution and the National Medium-Term Development Plan) (Indonesia)

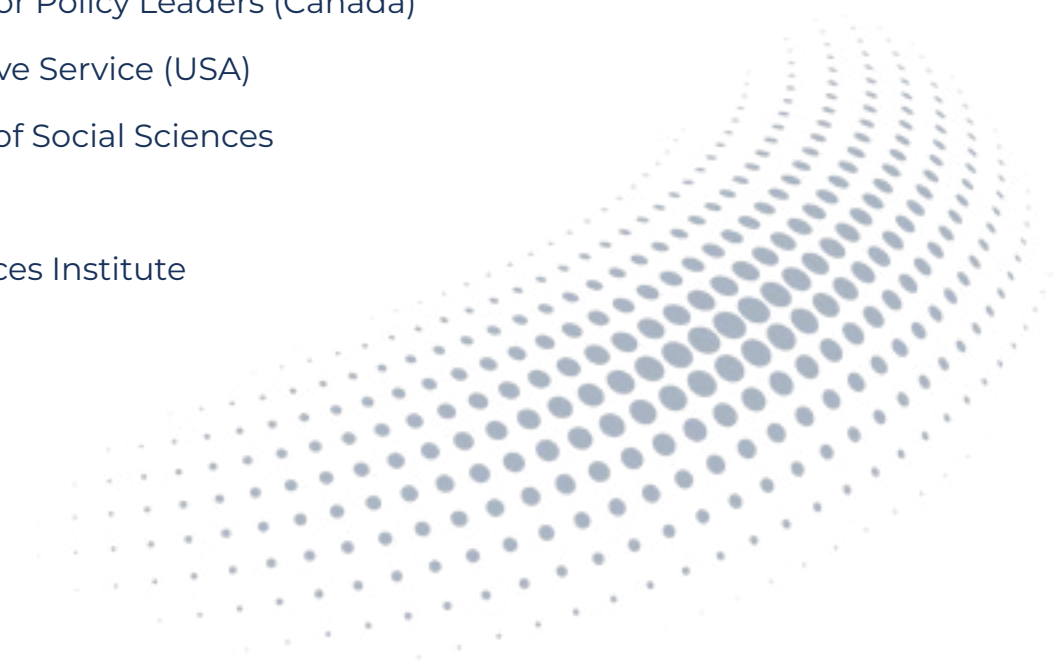
RPL: Recruitment for Policy Leaders (Canada)

SES: Senior Executive Service (USA)

TISS: Tata Institute of Social Sciences

UN: United Nations

WRI: World Resources Institute



Foreward

India seeks to grow from a \$3 trillion economy to a \$30 trillion economy by 2047 - the 100th year of our independence. While this may appear to be an ambitious goal, it only entails an annual growth of 9% over the next 20 years. Other countries have achieved such growth, Hence, there would be no reason to believe that India cannot achieve its objective of becoming a \$30 trillion economy by 2047.

However, the pace of growth needed for this will require several changes and “Business as Usual” will not work. Apart from others, changes will be needed in how the government system functions. It will need changes in the structure of the administrative system, its work culture, the ability to take risks and innovate, and its staffing patterns. It will also need changes in how urban areas are planned and managed.

Post-independence, India faced many challenges, including the trauma of partition, multiple wars, internal strife, famines, etc. The administrative system that India took over at the time of its Independence did a very creditable job in enabling the country to tide over these difficulties and keep the country stable. It is fortuitous and a testament to its resilience and adaptability that India has not witnessed the kind of social and economic chaos that some of its neighbours have. It can indeed be proud of the achievements made so far.

However, now that many of the past problems have been overcome, India is well-placed to move ahead at a much faster pace than it has done in the past. This will require government systems to actively facilitate growth and not slow things down with overtly stringent regulations. Administrative structures will need to undergo changes to enable integrated policy-making. Better inter and intra-sectoral collaborations will be needed, and mechanisms for stronger collaboration with external partners must be implemented. The ability of government officials to take risks and push for innovation needs to be strengthened by ensuring that bona-fide errors of judgment do not invite adverse action against them. Greater domain knowledge will be necessary at the higher levels of civil service.

Besides, cities will be fundamental to this growth as they are the geographies where manufacturing activities and the service sectors of the economy will thrive. Therefore, how we plan for and manage our cities will need significant reform.

Keeping these in mind, the Indian School of Public Policy, which seeks to develop policy leaders for a rising India, commissioned a study on the

administrative reforms needed to achieve the deliverables or conditions that define the vision of a Viksit Bharat. This report contains the recommendations that emerge from this study. The study has benefited immensely from a series of panel discussions and fireside chats with a wide range of stakeholders (cutting across different divisions/sectors)— all of whom have been integral for extremely valuable inputs. The study also involved—to a certain degree—academic research into administrative mechanisms and reform-setting in other countries. These examples have been taken into account while making recommendations that would be relevant to the Indian context.

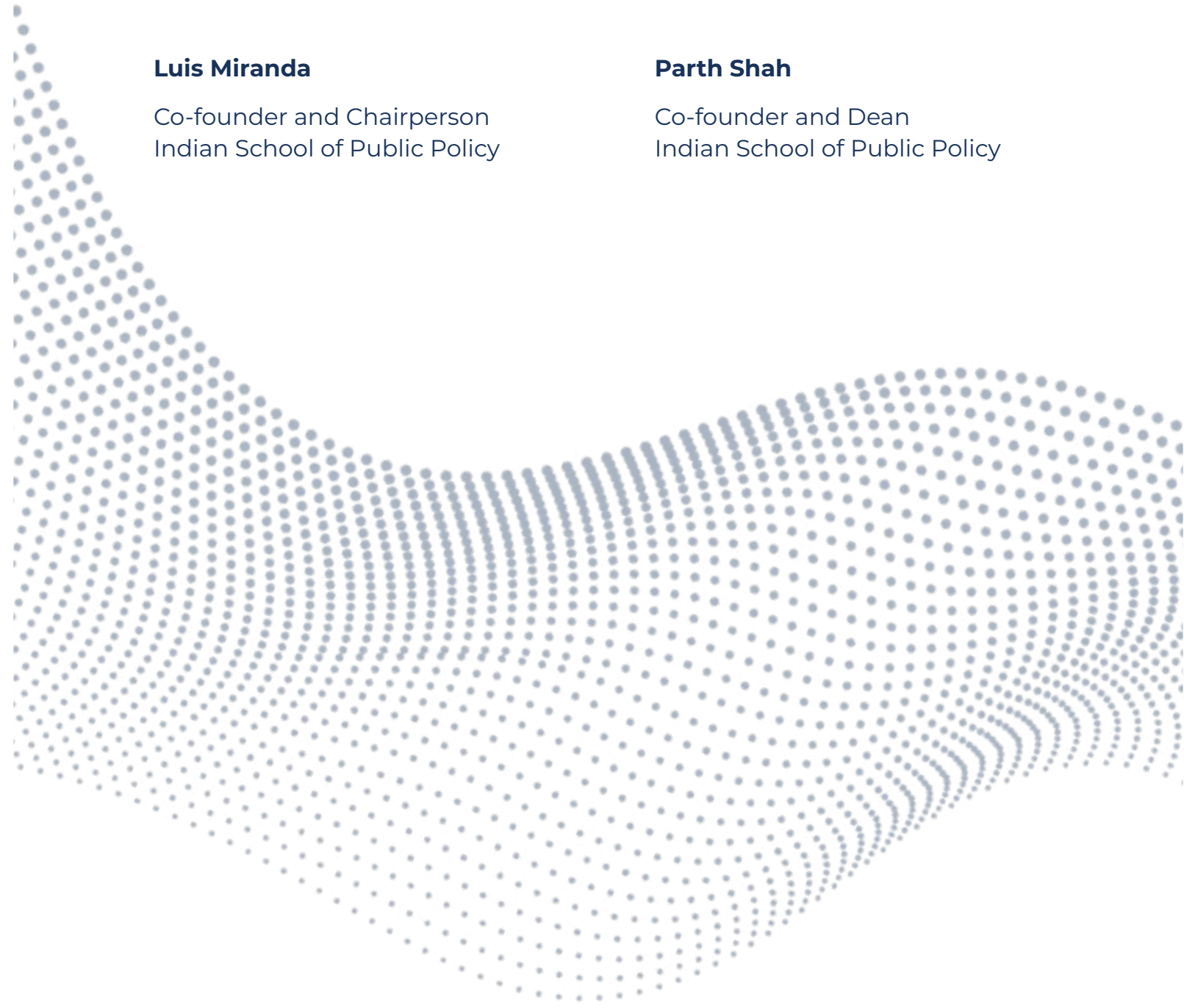
We hope these recommendations will be useful to—and find a favorable audience within—the higher echelons of governance and make a small but significant contribution to India’s goal of becoming a \$30 trillion economy by 2047.

Luis Miranda

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Executive Summary

Introduction

India seeks to become a \$30 trillion economy by 2047. Given that it is currently valued at around \$3 trillion, it is looking for a tenfold growth in less than 25 years. This is indeed a very rapid and intense pace of growth, but not unprecedented. However, questions arise as to whether the current administrative system, which has not undergone drastic changes since Independence, can see it through such rapid growth. The current system has done a commendable job in dealing with several challenges the country has faced following its independence. Are the skills needed to steer a ship safely through stormy waters the same as those needed to move it rapidly ahead in calmer waters? This is the primary question that occupies the first step in this long road ahead.

This report seeks to answer the above question. Given the time and resource constraints, this exercise has limited itself only to the administrative systems in the central government. However, given the critical importance of cities in realizing this growth, the report has also examined the systems of planning and management currently prevalent across cities in India.

To answer the question, it has obtained the views of over 40 experts over a series of panel discussions and fireside chats. These experts are drawn from a variety of stakeholder groups. They have highlighted their concerns with the current system and made suggestions regarding the reforms and improvements that will be necessary.

Concerns and suggestions for reform

The concerns expressed by the experts consulted fall into four clusters, as given below:

1. Structure of the administrative system

1.1. **There are far too many ministries and departments under the national government.** As a result, there is a high degree of fragmentation within and across sectors, thereby constraining integrated policy-making and planning across interlinked sectors. The central government has 53 ministries and 50 departments, whereas the US has only 15. The UK and China have only 25 and 26 departments, respectively. Canada has 20, Germany has 14, France has 15, Japan has 14, Australia has 15, and the Philippines has 22.

Even a large country like the US has a single Department of Transport and a single Department of Energy, whereas, in India, transport is split across five and energy across four ministries of the national government. Thus, integrated policies and plans, even for individual sectors, become difficult, let alone for interlinked sectors.* Large ecosystems, such as food systems, require integrated action across many ministries. Among them would be agriculture, water resources, rural development, transport, food processing, power, and many others. Similarly, dealing with climate change requires coordinated action between power, new and renewable energy, transport, petroleum & natural gas, coal, urban development, and industries. Building sustainable and thriving cities, which are fundamental to our growth ambitions, requires many ministries to work together – urban development, power, education, health, finance, etc. This lack of ability to deal with problems in an integrated manner is often expressed as a challenge to India’s administrative system.

1.2. There is a high degree of overlap between policymaking and implementation. These two important functions seem to converge in the Ministry, resulting in the minister and senior officials spending considerable time dealing with day-to-day implementation challenges rather than on strategic policy-making and planning.

2. Workflow and work culture

2.1. A hierarchical decision-making system on a file hinders speedy decisions. Even though it has the advantage of being safe and allows multiple opinions to be considered before making a decision, it ultimately delays the process and reduces responsiveness.

2.2. There seems to be a strong sense of secrecy around everything the government does, largely a legacy of the colonial era. The culture of involving external experts and collaborating with professional institutions is rare. Often, external institutions are treated with suspicion. In some cases where they get consulted, they are treated not as equals or partners contributing to the national development effort but as rent seekers in some form or other.

2.3. Many decisions tend to be based on individual officers’ perceptions rather than rigorous data analysis. Perceptions can change from officer

* As an example, Delhi and Meerut (a distance of about 60 kms) have already been connected by a high quality expressway but will soon be connected by a high speed regional rail transit system as well. It is unclear whether any assessment was made on the need for both these connections. It is quite likely that this was not the case as the proposals for these investments would have been approved separately.

to officer. Hence, we often see an incoming officer rubbishing everything their predecessors did. The probability of this happening would be reduced if decision-making were more data-driven decision-making.

2.4. There is a considerable degree of risk aversion in decision-making. Risk aversion leads to multiple approvals being taken even for simple decisions, thereby delaying decision-making at the cost of rapid growth.

3. Competent Staffing

3.1. The recruitment process, especially for the higher civil services, is extremely long, taking nearly a year to complete. Also, over 1.1 million candidates apply, and only about 1000 are selected for all the group 1 services. The IAS and IFS, which are the most coveted, take only about 150 out of those selected. The unduly long selection process and the availability of many excellent opportunities elsewhere discourage many good candidates from applying, thereby denying the country the services of many of its best talent. This is a significant loss.

3.2. Career progression in the services is primarily a function of seniority, i.e., based on the number of years served, with merit having a limited role. This is particularly unfortunate at higher levels, where merit needs greater emphasis.

3.3. The performance appraisal system discourages efforts to enhance performance and breeds mediocrity. In many ways, non-performance becomes a virtue. Anyone trying to perform well also tends to make mistakes, which are punished. As a result, good performance is rarely recognized or rewarded.

3.4. Placement of senior officers typically does not involve aligning their competencies with the role’s requirements. Instead, it is primarily done based on the senior officer’s availability on the placement panel. There have been some cases where competencies have been matched well, but these are few and often accidental. Clearly, the belief is that an officer can perform in any domain. This is an outdated practice and a national loss.

3.5. Many senior civil service members have lost touch with ground realities, as they left their field postings more than 20 years ago. Many reconnect only after retirement, by which time they can be of little help in correcting things. As against this, political leaders are more aware of ground realities than the civil service, given their compulsion to return to the electorate every 5 years. As a result, civil servants often fail to perform as meaningful advisors to the political leadership, which is their primary role.

3.6. Over the last 75 years, political executives have taken on a more prominent role in decision-making than civil servants. Unfortunately, this change has not been accompanied by adequate **investments in building capacity amongst the political leaders** in their domains of interest during their time as Members of Parliament or Ministers.

3.7. **Investment in capacity building for the lower echelons of the civil service, which constitute the base of the administrative pyramid, has been weak.** This leaves the cutting edge of the civil service ill-equipped and demotivated, with no real incentive to perform well.

3.8. There has been a long and perhaps **inconclusive debate on the merits of lateral entrants vs. permanent civil servants.** The arguments have been that permanent civil servants are better placed to understand the ethos of public service and ensure policy continuity. In contrast, lateral entrants bring in new knowledge, especially in emerging areas. The general consensus seems to be that both are needed, though the relative proportions may differ.

4. Current systems of urban planning and management

4.1. **Local Governing Bodies (LGBs) are fragile in India,** unlike in most other parts of the world. Most state governments have not implemented the recommendations of the 74th Constitutional Amendment relating to the devolution of powers to local bodies. As a result, mayors are extremely weak in India compared to other parts of the world.

4.2. **Own Source Revenues (OSR) available to cities are very meagre, and they are heavily dependent on state and central government transfers.** Moreover, the uncertainty of the quantum of such transfers makes it very difficult for local bodies to plan towards their developmental goals. Often, such transfers are made against the objectives of specific schemes, which may or may not be very relevant for a particular city.

4.3. **There is a serious lack of capacity for efficient service management,** and systematic programmes for building essential capacities across the urban administration are absent.

4.4. **Current planning systems are over 70 years old and, therefore, outdated.** They are not appropriately suited to cities in a rapidly urbanising country like India. Urban master plans are primarily land use plans and do not consider a city's future economic growth ambitions and needs. Therefore, it is not surprising that there are frequent violations of the master plan to meet the growing infrastructure needs of the city.

Recommendations

Based on these concerns, the suggestions for improvement have been the following:

1. Improve internal collaboration: Given the high degree of fragmentation, processes for better internal collaboration within the administrative system need strengthening to enable better policy implementation and achieve greater coherence.

1.1. Reduce the number of ministries to 15 – 20 to improve policymaking and planning cohesion. Annex 3 of the report provides a suggested list of 15 ministries. Create legislation that lists ministries and defines their responsibilities to prevent changes caused by coalition governments' compulsions.

1.2. Establish high-level, outcome-based standing committees to integrate policymaking toward desired outcomes. Examples include standing committees for food systems, economic development, climate change, etc. These committees should bring together the relevant ministries and include several well-recognized external experts to ensure the availability of sound advice for the committee.

1.3. Separate policymaking from implementation and limit ministries' role to undertaking policy-making and planning. Multiple implementation arms can be created under the ministries, at an arm's length, to implement the policies and plans developed by the ministries. Policymaking needs greater integration across subsectors, whereas execution needs a deeper knowledge of technical issues related to the subsector. Such separation will permit quality time to be available for policy making. While senior cabinet ministers and senior-level secretaries can head the ministries, relatively junior ministers and secretaries could head the implementation agencies.

2. Strengthen collaboration with external players: Systems and processes for effective collaboration with external stakeholders or non-state actors, including the private sector, academia, and civil society organisations, are weak and must be strengthened to leverage diverse expertise and resources.

2.1. Establish professional exchange programmes for civil servants and experts from academia, industry and think tanks. By going on deputation for a few years to industry, academia, and think tanks, officers will gain knowledge and skills that would be difficult to acquire within the government. Likewise, drawing in industry experts for a

period of time can help align policy-making with emerging market trends and governance with innovation and new technologies.

- 2.2. Engage more external experts in high-level committees and cross-sectoral platforms. Leverage NITI Aayog to coordinate and maintain a talent pool of external experts for collaboration.
- 2.3. Scale up Public-Private Partnerships (PPPs) in education, healthcare, and several other public services would enhance efficiency.
- 2.4. Boost Social Impact Partnerships by encouraging initiatives in underserved regions and collaborating with NGOs and private sector resources to achieve education and healthcare outcomes.
- 2.5. Form platforms for multi-stakeholder collaboration involving government agencies, environmental NGOs, academic researchers, and local communities to address issues connected to the environment, public health, and urban planning.

3. Strengthen risk-taking ability in the government: Fear of adverse consequences discourages decision-making and risk-taking. Encouraging a culture of innovation and greater risk-taking within the government system is essential for driving large-scale reforms and achieving breakthrough results.

- 3.1. Establish Policy Innovation Hubs that become sites for prototyping and testing policy solutions, leveraging technology for governance, and deepening community engagement. These could also become ideal sites for government-industry-wide joint research initiatives and skill development.
- 3.2. Scale up the “challenge” methodology to encourage finding innovative solutions from all sections of society to tackle public issues.
- 3.3. Reform legal frameworks to encourage experimentation and pilot programmes within the public sector. This should also protect from hasty action against officials so that there is greater confidence in bold decision-making.
- 3.4. By law, investigating agencies should not be allowed to start an investigation against any government official without specific approval to proceed. Such approval should be given only after quick enquiries about an officer’s reputation. Once taken up, investigations should be completed within no more than 6 months. Moreover, frivolous complaints against government officials should be deterred by taking visible action against such complainants.
- 3.5. Promotions and career progression should not be held up merely because of the prevalence of investigations. Promotions may be

given on a provisional basis and withdrawn if the investigation reveals malafide intent.

- 3.6. All the rules and procedures relating to the procurement of goods and services or allocation of public resources should contain a specific provision allowing deviations from the procedure laid down, but the reasons for the deviations should be recorded clearly.
- 3.7. Establish specialized units in the government to either undertake procurement or oversee the entire procurement process and provide guidance on the procedure, similar to similar systems in the World Bank and most UN organizations.

4. Ensure competent staffing: Many of the central government’s key functionaries at the higher policy-making levels lack adequate domain knowledge. Improving their competence and creating an environment that attracts and retains the best talent in the country is critical. This will require greater attention to the current recruitment systems, career progression, compensation, and capacity building.

- 4.1. The recruitment cycle for higher civil services should be drastically shortened to no more than 3 months. A shortlist of three times the number can be initially selected, based on an objective type test and a quick interview round. Those short-listed can be required to undergo a 3-month training program. Performance during the training can be used as additional evaluation to make the final selection. This will reduce the recruitment cycle and enable a much better evaluation of the candidates.
- 4.2. A much higher level of domain knowledge should be ensured for senior-level positions in central government ministries by assigning officers to a specific domain at the time of their empanelment as Joint Secretaries. This can be done based on an officer’s application justifying the allocation of a specific domain.
- 4.3. Establish a cascaded system of outcomes that flow from national goals and assess the officers’ performance against achieving the established outcome goals. This will make performance assessment more objective. Performance reviews should be used as a tool to improve performance rather than a tool to find faults. Good performance should be duly conveyed, not just adverse comments.
- 4.4. Empanelling officers as secretaries without waiting for previous batches to be fully placed at senior levels would enable a larger pool of empanelled officers to be available for selection to specific posts. This will allow officers to be appointed to such high level positions at

a younger age and thereby give them longer tenures, especially at the level of a Secretary to Govt of India.

5. Strengthen institutional mechanisms for integrated visioning, oversight, and implementation: Since many issues involving public policymakers cut across sectors, planning for the future in siloed sectors is often inadequate. Many outcomes need an “all-government” vision and plan. An institutional mechanism is needed for ensuring integrated visioning, planning, and implementation coordination.

5.1.A dedicated agency should be established to enable integrated visioning, planning, and coordination of implementation. Ideally, it should function under the President/Prime Minister’s office, as in Malaysia, Indonesia, and the US, or under the Cabinet, like in China.

5.2. NITI Aayog could be designated as the institution responsible for this as it is a relatively new institution with an evolving work culture and accomplished senior leadership. However, it should be positioned above ministries but below the Prime Minister to perform this function at full capacity. It must also be strengthened with adequate staff, resources, and field offices.

6. Strengthen economic development focus in the current urban planning systems: Since cities will be the jurisdictions that will lead the desired growth, there has to be strong economic visioning in the urban planning process, which has to move away from being primarily a land use plan.

6.1. Identify potential growth drivers and develop a 20-year or longer regional economic development plan for clusters of city regions. This should form the basis for infrastructure investment planning in the region and for master planning of the cities in that region. For this purpose, states will have to set up specific departments, or regional authorities, to take responsibility for regional economic planning and, thereafter, coordinate and oversee implementation.

6.2. Appropriate budgets should be allocated to region-specific departments or authorities rather than sector departments to avoid conflicting expectations and priorities.

6.3. Current laws relating to urban planning should be reviewed and modified to enable planning that emphasizes economic development.

6.4. Appropriate budgets should be allocated to region-specific departments or authorities rather than sector departments to avoid conflicting expectations and priorities.

6.5. Current laws relating to urban planning should be reviewed and modified to enable planning that emphasizes economic development.

6.6. Implement a systematic and scientifically designed training and capacity-building programme across all 7000-plus urban areas in India. The emphasis should be on building capacity for planning with an economic development focus and more professional delivery of basic services in cities.

6.7. The capacity-building effort should include establishing a robust database of indicators related to urban development, implementing a contextual research program, and organizing an annual conference to facilitate peer-to-peer learning.

6.8. Modernise the educational curriculum for urban planners to create a qualified workforce capable of moving from mere land use planning to planning with an economic development focus. This will also have to be accompanied by appropriate faculty development programmes to replace old mindsets with more modern needs.



Introduction

India is poised for a significant economic leap. It seeks to become a \$30 trillion economy by the 100th year of its independence, i.e. by 2047. Given that it is currently valued at a little over \$3 trillion, the ambition is to grow by nearly 10 times in the next 25 years. Considering that India's economy grew by only \$3.7 trillion in the last 75 years, the goal of growing by \$27 trillion in the next 25 years may appear overreaching. But such an aspiration comes coupled with confidence drawn from the remarkable strides made by the country in the last few years, especially in the period after 1991, when major economic reforms were introduced, and in the last 10 years, when the growth has indeed been faster.

From a country of 361 million people in 1951, it grew to a population of 1210 million in 2011¹ and has since grown to accommodate approximately 1438 million inhabitants by 2024.² From a mere \$0.03 trillion in 1951, India's nominal GDP is projected to reach \$3.88 trillion as of October 2024.³ These upward trends have been visible across several other social and economic indicators as well, some of which are given in Table 1 below:

Table 1: India's growth in select sectors

Indicator	1951	2021
Food production (million tonnes)	50.82	308.65
Exports (\$Billion)	1.3	291.8
Urban population (Million)	62.4	495.7
Infant mortality (per thousand)	146	27.7
Literacy Rate	18.3	77.7
Life expectancy (years)	32	70.19

Note:

The table presents a comparison of key indicators for India in 1951 and 2021, based on available data. The data for food production (million tonnes) and exports (\$Billion) were sourced from PIB (2022)⁴ and Bhagwati and Srinivasan (1975)⁵ for 1951, and The Economic Times (2022)⁶ for 2021. The urban population data for 1951 was obtained from Shukla and Wadhwa (2018)⁷, and projected data for 2021 from the World Bank (2018)⁸. Infant mortality rates (per thousand) for 1951 were retrieved from the Central Bureau of Health Intelligence (n.d.)⁹, and estimates for 2021 from the World Bank (n.d.). The literacy rate and life expectancy for 1951 were cited from Mohan (2006)¹⁰, while for 2021 were referenced from the Ministry of Statistics and Program Implementation (2022)¹¹. Life expectancy data for 2021 from the World Health Organization (2024)¹².

From being a country hugely dependent on importing food grains to avoid famines, India has become self-sufficient in food production, despite an increased population, and now produces enough to export to other countries. From a country with foreign exchange reserves of only \$5.8 billion in 1991¹³—enough for a mere two weeks of imports—it now sits on a very comfortable reserve of over \$675 billion.¹⁴ From a country whose defenses could not withstand the Chinese aggression in 1962, it can now defend itself against any aggression. Clearly, India has come a long way and seen impressive growth in the last 75 years. Thanks to this growth, India has emerged as a major player in the global economy, especially in information technology, pharmaceuticals, automotive, telecommunications, and several other domains, which depend heavily on the flows of the service-sector industry. It is on the back of these achievements, that the country aspires to become a \$30 trillion economy over the next 25 years.

However, while the past achievements have been impressive, their pace is not good enough to propel the country to a \$30 trillion level by 2047. It must grow at a much faster rate to reach this goal. Rough calculations indicate that a consistent annual growth rate of 9% will be needed until 2047 if India is to become a \$30 trillion economy by that timeline—a target that is difficult but certainly achievable.

While aspiring for such growth, an important question is whether the country's administrative system is good enough to manage and lead it through the massive growth being sought. Does it need a change, and if so, in what form?

The current administrative system can be credited with several positive achievements. It ensured that the country remained united and did not break apart despite its immense diversity. Very importantly, it enabled the country to tide over several problems that were a legacy of the colonial era and several new ones that cropped up following its independence. Assuaging the trauma of partition and managing the massive human suffering caused by mass migration across borders was indeed an achievement that should be credited to the administrative systems that were put in place in a country still in its stage of infancy. That it was able to deal with severe famines, food shortages, religious-cultural and linguistic riots, serious labor unrest, a plethora of separatist movements, at least three major wars, a plague, and the (more recent) COVID-19 pandemic goes on to show how the current administrative system has proved its mettle and resilience in dealing with challenges few countries of this scale and complexity would have otherwise survived. The fact that the world's largest democratic elections are conducted and managed almost flawlessly every five years, is another achievement to be proud of.

Furthermore, a large share of the administrative system consists of a permanent civil service, which has ensured policy continuity despite changes in political regimes and governments. Alongside broad policy continuity, there have also been specific periods when major policy reforms have been implemented—and the changes ushered in smoothly. The economic liberalization of 1991, the introduction of a Goods and Services Tax in 2017, and the adoption of e-Governance are examples of how the current administrative system has successfully managed big changes. Political leadership has often changed post-election, yet the transfer of power has happened smoothly. One only has to look at our neighboring countries to applaud the relative stability that Indian governments have overseen. A large share of the credit must go to the country's current administrative system and the civil services.

Having said that, it is important to recognize that India is at an important point of inflection today. The difficult times were managed particularly well; it is now time for a well-positioned take-off to move ahead rapidly. However, the skills needed for this may differ greatly from those needed to deal with difficult times. The skills needed to keep a boat stable in stormy waters vastly differ from those needed to move it rapidly in calmer waters. The skills needed to be a safe driver can differ greatly from those needed to be a race driver. This is the situation that India finds itself in today. It is in this context that the current study has been conducted to determine whether the current administrative system needs to change and, if so, in what direction.

Approach adopted

This exercise deliberately avoided the temptation of answering the question only through academic research and data analysis. Instead, it has chosen to understand this through consultations with a range of experts from different stakeholder groups. These have included retired and serving civil servants, corporate leaders, start-up founders, members of the academic community, international organizations, civil society, media personnel, and state-level public representatives. Hence, a wide cross-section of society has been consulted to understand where the barriers lie. The team conducted 11 online panel discussions and 5 fireside chats, through which it got the views of 43 experts. This included 10 women in the effort to ensure that gender aspects were adequately covered. A complete list of all those who have been consulted is provided in Annex 1. The report has benefitted immensely from the inputs received during these conversations.

We recognize that changes are required across all levels of governance – central, state, and local. We also recognize that improvements are needed in policymaking and service delivery. Issues of corruption stall progress

at multiple levels. All of these are extremely important issues and require deeper and prolonged attention. However, given our constraints of time and resources, we have limited ourselves to only looking at systems at the national level and, even within that, those more directly linked to the economic growth objective. In addition, we have looked at the planning systems for urban areas, given our recognition that such areas will be at the core of where the growth will take place. Urban areas will have to be planned and designed not just to accommodate the growth but also to enable the growth. However, even for urban areas, we have focused only on planning and management systems and have not gone very deeply into improved service delivery.

While we have not been able to look at administrative systems at the State and rural government levels, as well as the service delivery systems in the urban areas, we recognize that, given India's federal system, they will play a key role in delivering our Viksit Bharat ambition. While this is a serious limitation of our report, as stated earlier, time and resource constraints compelled us to limit our efforts. Our belief is that once the needed changes happen at the national level, similar changes will follow at the State and local levels as well. We strongly recommend examining the changes needed at the sub-national level as a separate exercise.

Our work relating to the administrative structure at the national level has focussed attention on three broad segments, namely:

1. Structure of the Government.
2. Work-flow processes and work culture.
3. Staffing issues, covering recruitment, training, compensation, and placement.
4. Current systems of urban planning and management.

Objectives and structure of the report

The primary objective of this report is to analyze the current systems and processes within India's administrative setup and identify potential barriers to rapid growth. Thereafter, it seeks to suggest reforms that will help overcome these barriers. To do so, it has looked at examples from elsewhere, both outside the Government system in India and within the government systems in other countries.

Section 2 of this report presents the key features of the current administrative system in the central government. This is followed by section 3, which highlights the main suggestions regarding strengthening the administrative system. It also identifies the key barriers based on the suggestions that emerged during the panel discussions and fire-side chats. Section 4 examines each of the suggestions in greater depth and detail. It presents examples from elsewhere, drawing important lessons from them to make recommendations for possible changes in India. Section 5 highlights the current systems of planning and managing urban areas and provides recommendations on how these systems can be improved to enable cities to transform India into a \$30 trillion economy. Finally, section 6 summarises the recommendations and advocates a way forward.

The report lends itself to being read by multiple audiences. Those unfamiliar with the current administrative system would find section 2 particularly useful. In contrast, those who have been part of the current administrative system and are familiar with it could easily skip this section. Those only interested in knowing the report's recommendations could read section 6, which is practically self-explanatory. Those keen on understanding the important barriers to rapid growth in the administrative system could read section 4, and those primarily interested in knowing the barriers in urban planning and management could read section 5. Our recommendation, of course, is for readers to read the entire report.

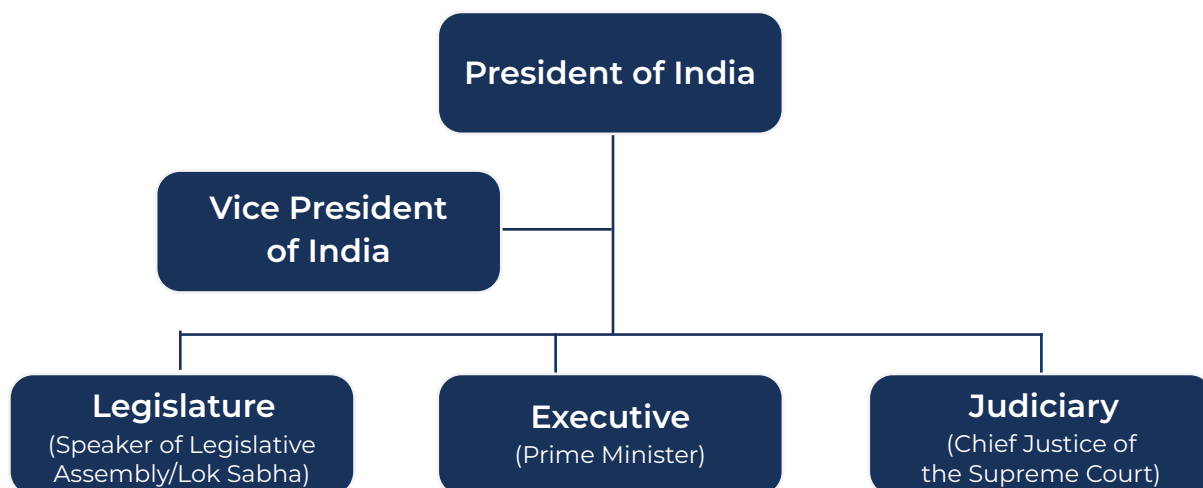
Key features of the current administrative system and systems of urban planning and management

Before we delve deeper into the barriers to rapid growth, we have presented below some important features of the current administrative system to serve as a background to the deeper examination of the identified barriers.

Form of the Government

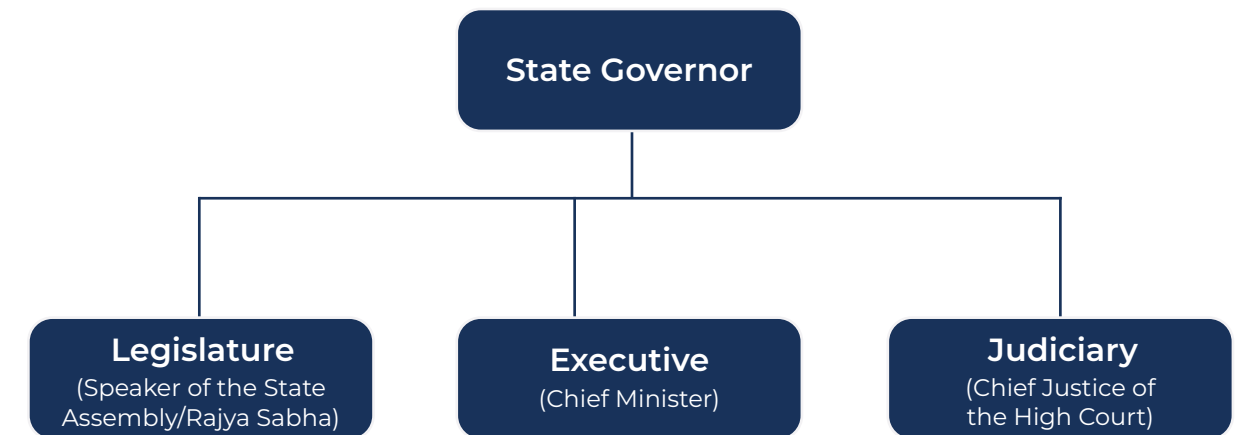
India is a parliamentary democracy with the President as its “Head of State”. The three wings of the Government, namely the “Legislature”, the “Executive”, and the “Judiciary”, are headed by the Speaker of the Lok Sabha, the Prime Minister, and the Chief Justice of the Supreme Court, respectively. The Legislature comprises two houses, the Lok Sabha and the Rajya Sabha. The Speaker of the Lok Sabha is the head of the Legislative Wing of the government. Figure 1 below shows this more clearly.

Figure 1: Arms of the central government and their respective heads



It is a three-tier structure with a national government (often called the central government), state governments, and local governments. The State administration is headed by a Governor, and the Speaker of the Legislative Assembly, the Chief Minister, and the Chief Justice of the High Court are the respective heads of the legislative, executive, and judicial arms, as shown in Figure 2.

Figure 2: Arms of the state government and their respective heads

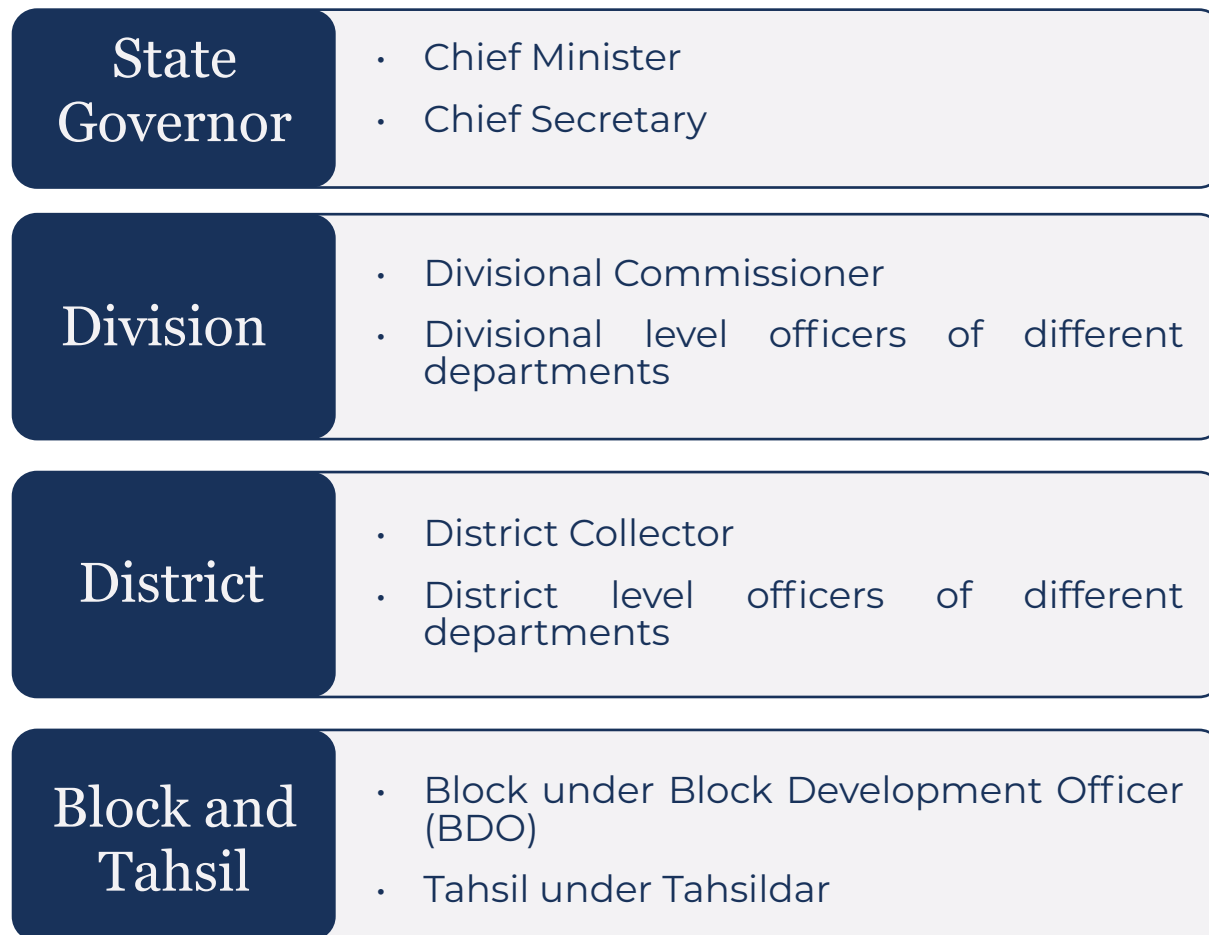


Districts are important administrative jurisdictions within the states, and the district administration provides several public services. These include public distribution of essential commodities, law & order, health, education, land administration, etc. A District Collector heads districts, also referred to in some states as a District Magistrate or a Deputy Commissioner. Most state-level departments have field functionaries at the district level.

Under the district, there are development blocks, especially for developmental functions. Each is headed by a Block Development Officer. For land revenue and land records purposes, districts comprise several “Tahsils” each headed by a “Tahsildar”.

Local governments comprise urban and non-urban areas. Urban areas are governed by an urban local body, which could be a municipal corporation, municipal council, or town committee, depending on their size. Rural areas are governed by a gram panchayat. Figure 3 highlights the different administrative jurisdictions under the state government.

Figure 3: Administrative jurisdictions under the state government



Centre – State distribution of powers

The Constitution has allocated subjects between the central government and the state government. These are contained in the 7th schedule of the Constitution of India. Subjects that cannot be managed by individual states but are better managed centrally, such as external affairs, defense, railways, and telecommunications, are allocated to the central government. Subjects that are specific to states alone are allocated to the state governments. These include municipal administration, law and order, rural development, etc. The 7th Schedule also has a concurrent list where certain subjects are allocated to both the central and the state governments. These are subjects where both levels of government can play complementing roles, like education and health care. On the matter of concurrent subjects, however, the constitution prescribes that if there is a difference of view between the state and central governments, the central government’s view shall prevail.

At this stage, it would be appropriate to point out that the Indian Constitution assigns much higher authority to the central government. This is unlike some other federal structures, such as in the United States. The center has been assigned greater authority in view of the historical fact that India—which comprised a large number of princely states before it became a colony of the East India Company and, subsequently, the British Crown—had strong centrifugal forces. It is believed that these centrifugal forces allowed the East India Company to take over by pitting one local ruler against another. The huge diversity of the country also made it vulnerable to divisive sentiments. This had to be kept in check by providing a strong central government.

Accordingly, the central government has vested a large share of the financial resources. The financial muscle of the central government enables it to exercise considerable influence even in matters that are exclusively within the purview of the state. Many local political parties also tend to be strongly controlled by their central counterparts, thereby adding to the extent of central control. Therefore, while the state governments are responsible for delivering many of the functions that would lead India towards a Viksit Bharat, the central government plays a key role in facilitating them to do so. One prime tool for this is the stronger financial resource base of the central government. It is able to allocate central financial resources as a nudge to persuade state governments to move in the direction desired by the central government.



Structure of the Central Government’s Administrative System

Since this report primarily focuses on the administrative system in the central government, we examine this in greater detail. Even here, we examine only the executive arm of the government rather than the legislative and judicial arms, as it is the executive arm that will be primarily responsible for facilitating and enabling the delivery of the economic growth ambition.

As stated earlier, the executive arm is headed by the prime minister. The administrative system comprises several sectoral ministries, some of which also have departments under them. Smaller ministries tend to have single departments. Ministries are headed by a “Minister” and departments by a “Secretary”. Ministers are political leaders and become so by getting elected to either the Lok Sabha (Legislative Assembly) or the Rajya Sabha (State Assembly). In contrast, most secretaries are employed officers from one of the many existing lines of civil service. There have been a few who were not permanent civil servants but were brought in from the market for short periods, recognizing their strong credentials. However, these instances have been very far and few between.

There is a Cabinet Secretariat, which functions as the Secretariat for the national cabinet. It is headed by a Cabinet Secretary, who is also the head of the civil services. The Cabinet Secretariat also tends to coordinate across ministries based on demand or needs.

There is a Prime Minister’s Office, which supports the Prime Minister and manages his workload and agenda. This is headed by a Principal Secretary to the Prime Minister, who also coordinates the functioning across ministries if need be.

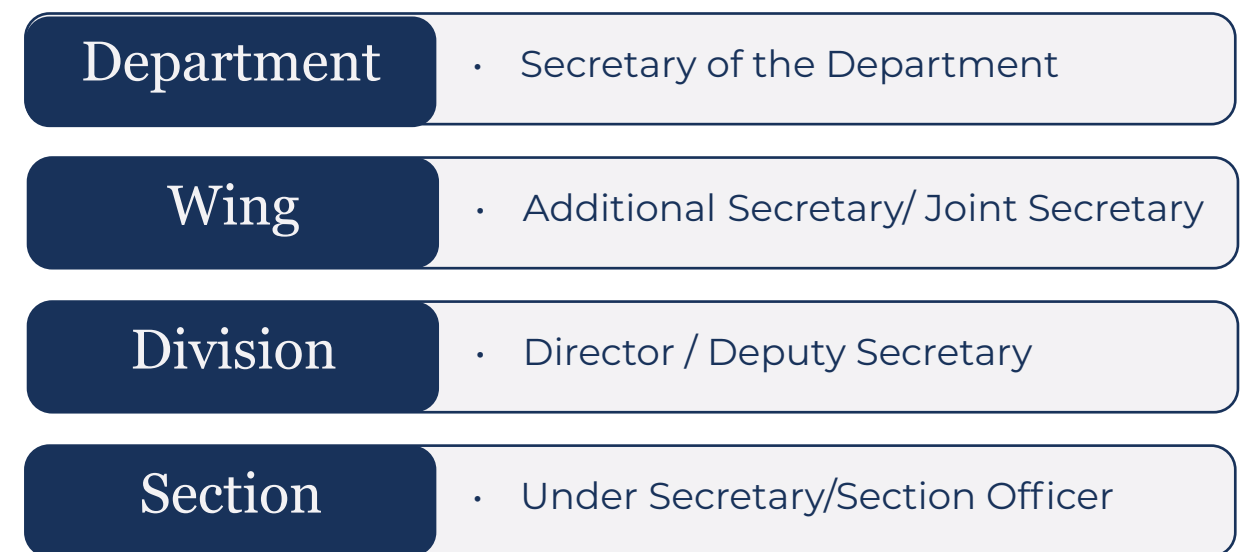
A few years ago, the National Institute for Transforming India (NITI) Aayog was established as a national think tank and policy advisory arm for the national government. The Prime Minister heads it as its Chairman. It also has a Vice Chairman and several members. The operational head of the NITI Aayog is a Chief Executive Officer (CEO), supported by several advisors and other supporting teams.

The primary responsibility of ministries is to make national policies and develop national plans relating to their respective sectors. They prepare their sectoral budgets and allocate resources for various programs and projects. They also play an active role in implementing programs and are accountable for them, though other supporting structures are often available. They are accountable to the Parliament and responsible for managing the budget

and finances allocated to the Ministry. Most ministries also have attached offices and subordinate offices. Attached officers tend to provide technical support to the respective ministry, whereas subordinate offices have a primary role in implementing policies.

While departments are headed by a secretary, they have a chain of officers to support them. These are additional secretaries, joint secretaries, directors, deputy secretaries, and under-secretaries. Each department has several sections, each headed by a “Section Officer” who manages the base-level repository of government records. The structure may be seen in Fig 4 below:

Figure 4: Structure of a central government department



The Government of India has 53 ministries and 50 departments. Some ministries do not have departments, primarily because they are relatively small, whereas others have between 2 and 5 departments. A list of these ministries and departments is provided in Annex 2.

Staffing

The strength of the central government’s civil service comprises about 4 million employees.* This does not include the military staff. They are categorized into Grade 1, Grade 2, and Grade 3 levels based on their position in the hierarchy. Grade 1 is the highest, and Grade 3 is the lowest. A Grade 4 level also existed but has since been replaced with contractual staff for providing certain support services, like drivers, peons, etc. 89% of the staff

* As assessed by the 7th Pay Commission

comprise Grade 3 positions, 8% are Grade 2, and only 3% are Grade 1.¹⁵ Hence, the staffing pattern is highly skewed towards the lower-grade positions.

The staff is also classified based on the nature of their functions as “generalist”, “specialist”, and “technical” staff. Generalists tend to function across multiple sectors, whereas specialists function in narrower domains for most of their careers. Technical staff must have special technical qualifications and are selected based on their technical knowledge. Hence, they also tend to function only in the areas of their expertise for most of their careers. The main difference between specialist and technical staff is that the former do not require a special professional qualification at the time of recruitment but are assigned to a specific function post-recruitment. In contrast, technical staff must have special technical qualifications to be eligible to apply, and once recruited, they mostly work within their expertise domain throughout their careers.

These employees are generally selected through autonomous commissions and appointed by an appointing authority. In most cases, the recommendations of the autonomous commissions are accepted by the concerned appointing authorities, and any non-acceptance must be explained in writing.

Some positions are entry-level positions and are filled through direct recruitment to those positions. Others are primarily filled through promotion from lower levels or, in a few cases, by selecting lateral entrants with specialized qualifications for those positions.

The staff in the ministries and departments are predominantly permanent employees or civil servants. Top positions in most ministries tend to be occupied by generalist staff, whereas the specialist and technical staff occupy the higher positions in the respective field agencies or subordinate / attached offices.

Recruitment of the permanent civil servants is generally done through a competitive process. Candidates for higher civil services are recruited through an examination system conducted by the autonomous Union Public Service Commission (UPSC), and there are staff selection commissions for the lower levels. The Indian Civil Service Exam is the most prestigious exam conducted by the UPSC to hire for the top services like the Indian Administrative Service (IAS), Indian Foreign Service (IFS), Indian Police Service (IPS), Indian Revenue Service (IRS), Indian Audit and Accounts Service (IA&AS), etc. It is a lengthy process involving three phases of testing. A preliminary exam is generally held in the month of June, and a main exam is held during the months of September and October, followed by interviews that take place during the months of February and March of the following year. The final results are declared only around May of the following year.

Post their recruitment, officers of the Grade 1 services undergo a two-year induction training program. There is a “Foundation course” of about four months duration, which all the Grade 1 service officers are expected to attend together, though some officers may need to postpone this training due to logistical reasons and the urgency of posting. After the foundation course, each officer undergoes about 18 months of training in their respective institutions. This period of about two years is often referred to as the probationary period.

While such induction training does take place in a systematic manner for the Grade 1 and Grade 2 services, training of lower-level staff is not well structured and, in many cases, does not happen.

At most levels, career progression is a function of the time spent in the service, with promotions being given quite routinely on completing a certain number of years of service. Only at the highest levels, namely of Joint Secretary to the Government of India and above, an element of merit has been added as there is a special screening process to assess suitability. This involves a review of the performance record of the officers recruited in a particular year (batch) to assess the officer’s suitability to become a Joint Secretary to the Government of India. If found fit, the officer will be empaneled for that level. A similar process takes place before promotions to the levels of additional secretaries and secretaries. Such an empanelment process is taken up only once a year and covers the set of officers recruited in a particular year, also known as “batch”.

Senior officers in the generalist category have a fixed term for serving in any position under a central government department. Typically, this is five years for a joint secretary and seven years for an additional secretary. Secretaries do not have such a fixed tenure, though there is hardly a case where a secretary has even seven years of service left before he or she retires. As a result, senior officers do not stay in any position for a very long time. 5 – 7 years seems to be the maximum. Often, in the middle of this designated

period, officers get transferred to other departments due to promotion or other reasons, thereby reducing the time in a certain position even further.

The central government ministries also hire some experts as lateral entrants. They are not selected through the annual examinations conducted by the UPSC but through a special selection process for each of these positions. While most are hired for specialized positions requiring the kind of expertise that the lateral entrant possesses, some are even hired to staff positions that external specialists had not necessarily staffed in the past. There have been examples of the Secretaries of the Department of Power, the Department of Heavy Industries, and the Department of Economic Affairs who were brought in as lateral entrants for fixed terms.

A more recent development has been the increasing use by different departments—of consultants and think tanks—to carry out tasks that the regular ministry staff is expected to perform but cannot do due to the increasing complexity of such tasks. In fact, the NITI Aayog uses many consultants and young professionals to help it perform its responsibilities. These consultants and young professionals occupy regular positions in the NITI Aayog. They are not recruited through examinations conducted by the UPSC but are hired directly by the NITI Aayog through a competitive process it conducts.

There is a system of annual performance evaluation for every officer. This is done at three levels. The first is by the immediate supervisor, also known as the reporting officer. Typically, each officer initiates his or her own performance evaluation by recording the targets set for the year and their achievements in a prescribed format. This statement is submitted to the reporting officer. The reporting officer then records their assessment and submits it to the reviewing officer at the second level, who makes their comments. Then, the officer at the third level, called the accepting officer, submits it for final acceptance. There is no discussion with the officer under review, and no feedback is given to her or him unless an adverse remark is recorded at one of the three levels. The officer under review gets an opportunity to represent themselves against the adverse remark, which must be considered in deciding whether it is justified or needs to be removed. Praises for or even acknowledgment of good performances do not get communicated to the officer under review.

An important point is that the central government does not have a special cadre of officers to man their Grade 1 positions. Officers are typically borrowed from different state governments and increasingly from other services for staffing senior positions in the central government ministries and departments. The basic idea behind this was that the experience of having worked in state governments and other services would be useful

for national policy making. Besides, it would foster a certain degree of uniformity in the systems across states and between the states and the center. Experienced officers from the states coming into the center, and vice versa, were considered desirable.

Career progression

For placements at senior levels, a panel of officers found eligible to fill senior positions in most ministries is created each year. The empanelment is done based on a confidential review of the annual performance reports of the officers who have completed a certain number of years in the service. More recently, a system of obtaining informal feedback using the services of some retired officers has been introduced to add an additional dimension to the review. The officers found suitable for filling these positions are called empaneled officers. Once the empanelment is complete, officers on the panel are placed against vacancies during the year in different ministries. To put it concisely, the conditions upon which a certain officer is deemed suitable and selected for a certain ministry are largely a function of the vacancies that appear and the next available empaneled officer at that point in time.



The Indian Administrative Service

Any discussion on government staffing would be incomplete without a discussion on the Indian Administrative Service (IAS). Christened as India's Steel Frame by Sardar Vallabhbhai Patel, members of this service occupy most of the top non-political positions in the Indian administrative machinery. They are part of the generalist category and are recruited through a rigorous civil service examination. Only the top performers in this exam are selected for the IAS. Members of this service come from various educational backgrounds ranging from History and Political Science to Engineering and Medicine.

Over the years, this service has been critical to ensuring the country stays united and stable. They have been the backbone in dealing with the country's multiple crises over the years. Members of this service lead the electoral machinery in the country and manage a mammoth election process where nearly one billion people are registered as voters. They are at the forefront of dealing with disasters and other emergencies the country occasionally faces. They are very important to ensure we remain a stable country - a vibrant democracy poised for rapid growth. However, questions are being raised today about the appropriateness of a generalist decision-maker for many sectors that may have been generalist domains earlier but are not so today. For example, due to increasing complexities, critical sectors like urban development, education, and healthcare need greater domain knowledge today than ever. This makes it difficult for the complete generalist to do a good enough job.

Several reports have examined this issue, and the preponderance of opinion seems to suggest the need for greater domain knowledge in many sectors erstwhile led by generalists. Yet there are views that for such leadership positions, it is very important to have a wider understanding of other sectors to understand the likely implications (or spill-over) of actions from one sector to another. There has also been a strong view that policymaking requires a good understanding of ground conditions to make the policies practical and implementable.

Workflow process and work culture

The workflow in the central government ministries is managed and executed primarily through a file movement system. Most decisions are taken on government files, typically initiated within a section and moved up the hierarchy for approvals. Files are a set of papers and documents on a related subject, bound together to become a file. While these have been physical papers so far, there is a growing shift to make them digital.

In most routine cases, the issue under consideration is recorded by an officer within the section, i.e. at a relatively low level in the ministry. This then moves up the hierarchy, and senior levels record their opinions on that issue. In some cases, typically the more important or complex cases, the initial recording can be done at a more senior level than the section. A final decision is taken at a level to which the authority has been delegated. In some cases, the matter needs a decision at a very high level, namely the Cabinet or a designated Cabinet committee. In such cases, proposals for the consideration of the cabinet/cabinet committee are initiated by the relevant ministry/departments seeking a decision. This is done in the form of a "Cabinet Note" and submitted to the Cabinet Secretariat, which arranges to place it before the relevant committee at its meetings.

Special committees are established for complex matters, or those requiring significant deliberation, and professional studies are commissioned for these matters. The recommendations of these committees or the respective studies can form the starting point of the decision-making process.

Matters that involve an expenditure of any kind would generally require the concurrence of the Ministry of Finance or its representative in the relevant ministry. Expenses of very high order, such as for new projects or schemes, need the approval of a designated committee of the Cabinet. The onus of decision-making resides largely within the administrative system, often in consultation with certain specialized technical arms that ministries may have. When complex policies need to be formulated, committees get set up to study the relevant matter and make recommendations to the government. These committees may include external experts. However, including external experts is not a necessary requirement, and recommendations of such committees do not necessarily have to be adopted. Hence, the decision-making process tends to be more of an internal exercise. It does not necessarily adhere to the competencies available outside the government system—possibly due to an apprehension that vested interests may influence decision-making and conflicts of interest may arise. It is for this reason that for many years, government servants interacting too closely with private industry were looked down upon and treated with suspicion.

This changed after the economic liberalization of 1991, but the culture is still strong amongst many. The mindset seems to be that the government “knows best”. The culture of working together towards a common goal does not seem to have set in as of yet. This is often referred to as the colonial mindset.

Urban planning and management practices, which are critical to driving economic growth, are currently guided by the Town Planning Act of the respective states. The process of urban planning in India started in 1915 with the adoption of the Bombay Town Planning Act of (1915) – India’s first town planning legislation. It was followed by similar Acts being adopted in some other states: UP (1919), Madras (1920), Punjab (1922), Nagpur (1936), Bangalore (1945), and Kanpur (1945). After independence, a model Town Planning Act was developed in 1957 by the Institution of Town Planners. Several States enacted their own Planning Acts based on this model. According to these, cities must prepare master plans with a 20-year perspective, which the state government approves after an extensive consultation exercise. Once prepared and approved, these are expected to be sacrosanct, but deviations are not uncommon, as may be expected in a rapidly urbanizing country.

One criticism of the master plans is the time to prepare them. Delays often stretch to years beyond the validity of the previous plan. Another criticism is that many cities have not adhered to this dictum. According to a NITI Aayog report, 65% of the urban entities in India do not have a valid master plan.¹⁶ In a survey conducted by the Bangalore-based think tank, Janaagraha, 31% of the capital cities in India do not have an active master plan.¹⁷ An emerging criticism of the master plan is that such schematics are merely concerned with land use rather than based on a vision for a sustainable urban space. Therefore, as economic growth occurs and demands on land resources deviate from those anticipated earlier, violations of the master plan become inevitable. Furthermore, overt attention to the allocation and utilization of resources takes the focus away from the welfare of communities, thus denigrating urban spaces as ones characterized by a lack of care and empathy for their inhabitants. It may be argued—to some extent with fairness—that governance has always been preoccupied with the efficient

utilization of resources rather than the well-being of residents, regardless of geographical location and the urban-rural divide. However, if we are to harness the immense potential of human resources (we are, after all, the most heavily populated country in the world), outlooks need to be changed quickly before time slips away from our grasp.

As for the management of urban areas, most large cities have an urban local body known as the municipal corporation, municipal council or town committee, depending upon the size of the urban area and the number of residents within that particular space. These local bodies are responsible for providing basic services like sanitation, solid waste management, water supply, street cleaning, etc. They are elected bodies but have a government official who manages the day-to-day operations.

Unfortunately, the financial health of these bodies is weak, and they are heavily dependent on financial transfers from the higher levels of the government. Their primary source of revenue is property tax, but the rates are low. In addition, systemic inefficiencies in tax collection and low compliance among taxpayers add to the malaise. They also levy some fees for particular services rendered, such as advertising, parking, street vending, etc. However, the revenues fall short of the expenses that they have to incur. In several cases, basic services like water supply are provided by state-level undertakings, which are set up specifically for this purpose. State-level bodies also provide public bus transport services, except in the states of Maharashtra and Gujarat.

Another development has been the rapid spillover of urban areas beyond municipal boundaries. These are termed “census towns.” They have the characteristics of an urban area but do not have a notified urban local body. As a result, they do not have an institutional mechanism accountable for basic services like sanitation, water supply, solid waste management, etc.

In the next section, we will present the concerns and issues highlighted during several panel discussions and fireside chats organized by the team. The next section also presents the main areas of strengthening that were repeatedly suggested during these discussions.

Issues emerging from the panel discussions and fireside chats

As stated earlier, the team had organized 11 online panel discussions and 5 fireside chats through which it interacted with 43 experts drawn from various stakeholder groups. Each expert had several years of experience either working within the administrative system or dealing with it from outside. This experience put each of them in an excellent position to identify the factors constraining rapid growth, if any, and suggest changes that would propel India towards Viksit Bharat.

Concerns highlighted

The barriers/concerns highlighted during the discussions have been grouped into four buckets, namely those relating to:

- The structure of the administrative system
- Workflow and work culture in the administrative system
- Staffing of the administrative system
- Current systems of urban planning and management

Structure of the administrative system

Some of the concerns expressed about the current structure of the administrative system were the following:

1. There are far too many ministries and departments under the national government. To make a comparison, the central government in India has 53 ministries and 50 departments, whereas the US government has only 15– departments. The UK and China have only 25 and 26 departments, respectively. Canada has 20, Germany has 14, France has 15, Japan has 14, Australia has 15, and Phillipnes has 22. Annex 3 lists the ministries/departments in each of these countries. As a result, there is a high degree of fragmentation within and across sectors, thereby constraining integrated policymaking and planning across interlinked sectors. Further, there is a lot of fragmentation even within a sector. For example, the transport sector is divided across five ministries of the national government and the energy sector across four ministries. Even a large country like the US has a single Department of Transport and a single Department of Energy. Thus, integrated policies and plans, even

for individual sectors, become difficult, let alone for interlinked sectors.* Large ecosystems, such as food systems, require integrated action across many ministries. Among them would be agriculture, water resources, rural development, transport, food processing, power, and many others. Similarly, dealing with climate change requires coordinated action between power, new and renewable energy, transport, petroleum & natural gas, coal, urban development, and industries. Building sustainable and thriving cities, which is fundamental to our growth ambitions, too, requires many ministries to work together – urban development, power, education, health, finance, and several others. This lack of ability to deal with problems in an integrated manner is often expressed as a challenge to India’s administrative system.

2. Many ministries have a high degree of overlap between policymaking and policy implementation. These two important functions seem to converge in the Ministry, resulting in a lot of quality time for the Minister and senior officials being taken up in dealing with day-to-day implementation challenges rather than in strategic policymaking and planning. For example, the Secretary of the Ministry of Urban Development often spends a lot of time on routine tasks like approving the allocation of government houses to officials and ministers instead of formulating policies for an extremely crucial sector in the country today. India does not have an urbanization policy yet, despite having an urban population of over 400 million, slated to go up to 800 million by 2050¹⁸. This situation is common across most central government ministries, compromising good-quality policymaking. If the best policies are to be made for the country, senior ministry leadership must have the time to update themselves on best practices being executed around the world. Being deeply stuck in the details of implementation does not leave them with the quality time and energy needed for good policymaking and planning.

Workflow and work culture

1. A hierarchical system of decision-making on a file can be slow, though it has the advantage of being safe, as it enables multiple opinions before a decision is taken. However, it does not lend itself to speedy decision-making, thus compromising valuable time.
2. There seems to be a strong sense of secrecy around everything the government does, largely a legacy of the colonial era. The culture of involving external experts and collaborating with professional institutions

* As an example, Delhi and Meerut (a distance of about 60 kms) have already been connected by a high quality expressway but will soon be connected by a high speed regional rail transit system as well. It is unclear whether any assessment was made on the need for both these connections. It is quite likely that this was not the case as the proposals for these investments would have been approved separately.

is rare. Often, external institutions are treated with suspicion. In some cases where they get consulted, they are not treated as equals or partners contributing to the national development effort but as rent seekers in some form or another.

3. Many decisions tend to be based on individual officers' perceptions rather than rigorous data analysis. The result is that many decisions tend to go wrong. The effect of such perception-based decision-making is often that data does not get the priority it deserves—and it is quite possibly for this reason that data collection and management systems are weak and under-valued in many sectors. Perceptions can change from officer to officer. Hence, we often see an incoming officer brushing aside everything their predecessors did. Informed decision-making, backed by data analysis, would be less susceptible to such perception-based overhauls and drastic reversals.
4. There is a considerable degree of risk aversion in decision-making. This is not the least bit surprising, given the large number of instances where bonafide errors of judgment have invited harsh and humiliating punishment upon officers and, indirectly, their families. Risk aversion leads to multiple approvals being taken even for simple decisions, thereby delaying decision-making at the cost of rapid growth. More recently, the requirement that even the note sheet portion of a file can be publicly viewed under the Right To Information Act (2005) has made decision-making even slower. Allowing the note sheets to be publicly viewed exposes those who have given contrarian views, thereby making them vulnerable to all kinds of public wrath and negative sentiments. Unfortunately, if officers cannot express their honest opinions even on an internal file, their tendency will naturally lean towards playing safe and going with the tide.

Staffing

1. The recruitment system, especially for the higher civil services, is an extremely long process that takes nearly a year to complete. Apart from this, over 1.1 million candidates apply, and only about 1000 are selected for all Grade 1 services. The IAS and IFS, which are the most coveted, take only about 150 out of those selected. This kind of competition often makes luck a very important contributor to success. Besides, the unduly long selection process, coupled with the availability of many excellent opportunities elsewhere, discourages many good candidates from applying. This denies the country of the services of many of its best talent. This is a big loss, especially in modern times, where ingenuity and innovation are the need of the hour rather than compliance.

2. Career progression in the services is primarily a function of seniority, i.e., based on the number of years served, with merit, or prior achievements, having a limited role. This is particularly unfortunate at higher levels, where merit needs greater emphasis and recognition.
3. The performance appraisal system discourages efforts to enhance performance and breeds mediocrity. In many ways, non-performance or playing safe becomes a virtue. This is because anyone trying to perform well also tends to make mistakes, which get punished. As against this, good performance is rarely recognized or rewarded.
4. Senior officers are usually placed in ministries based on the principle that the senior-most officer available on the panel fills the next vacancy, with suitability primarily determined by seniority. It generally does not involve matching the officer's competence with the competence needed. There have been some cases where competencies have been matched well, but these are few and far between and often accidental rather than carefully planned. There have been examples of officers placed at the top level in a domain that they had little knowledge of, even though they had extremely good knowledge in another domain. The belief is that an officer can perform in any domain, regardless of expertise or training. This is an outdated practice and a national loss.
5. Many senior civil service members have lost touch with the ground, as they left their field postings more than 20 years ago. Many reconnect with ground realities only after retirement, by which time they can be of little help in correcting things. As against this, political leaders are more aware of ground realities than senior officers, given their compulsion to return to the electorate every 5 years. As a result, civil servants often fail to perform as meaningful advisors to the political leadership, which is their primary role. **
6. Over the last 75 years, a big change, one that is appropriate in a democracy, has been taking place. The onus of major decision-making has visibly shifted from civil servants to the political executive. Unfortunately, this change has not been accompanied by adequate investments in capacity building of the political leaders during their tenures, either as Members of Parliament or Ministers. As a result, they do not get the opportunity to fully understand many complex nuances of the different domains and are inadequately prepared to communicate with their constituents or make the best decisions when proposals come up to them.

** This may not apply in cases where officers have worked in the same sector in their state governments also and have taken the initiative to travel extensively within the state to get a feel of the ground realities. However, this is not the case most of the times.

7. Investments in capacity building for the lower echelons of the civil service, which constitute the base of the administrative pyramid, have been weak. Most of the capacity-building efforts have been focused on the senior civil services. This leaves the cutting edge of the civil service ill-equipped and demotivated, with no real incentive to perform well. It leaves them inadequately empowered to perform increasingly complex tasks. This is perhaps why many ministries of the Government of India have begun to depend on consultants and think tanks to support them in undertaking increasingly complex tasks necessary for good policy making. This is not necessarily a negative trend, although it raises the question of whether the expenditure on the existing staff of the ministry could be managed more efficiently and redirected to address other priorities.
8. Regarding lateral entrants, there has been a long and perhaps inconclusive debate on the merits of lateral entrants vs. permanent civil servants. The arguments have been that permanent civil servants are better placed to understand the ethos of public service and ensure policy continuity. In contrast, lateral entrants bring in new knowledge, especially in emerging areas. The general consensus seems to be that both are needed, though the relative proportions may be different and situation-based.

Current systems of urban planning and management

1. The key concerns highlighted regarding the current systems of urban planning and management began with the fact that local bodies are extremely weak, unlike in most other parts of the world. Most state governments have not carried out the recommendations of the 74th Constitutional Amendment relating to the devolution of powers to local bodies¹⁹. As a result, mayors are extremely weak and sometimes inconsequential to larger planning in India compared to other parts of the world.
2. Apart from this, cities have very limited independent revenue sources, and they are heavily dependent on transfers from the state and central governments. The uncertainty of the quantum of such transfers makes it very difficult for local bodies to plan towards their developmental goals.²⁰ Often, such transfers are made against the objectives of specific schemes, which may or may not be very relevant for a particular city. As a result, cities with a greater need for some specific service may not have enough corpus to spend for that purpose but may have more than what they need for a certain other service. In short, quite often, the funds available for the city from the state and central governments are not flexible enough for them to use as per the need of the hour.

Needs for strengthening as suggested

Based on the concerns highlighted, the following strengthening needs emerged as the most important:

1

Improve internal collaboration: Given the high degree of fragmentation, processes for better internal collaboration within the administrative system need strengthening to enable better policy implementation and greater coherence.

2

Strengthen collaboration with external players: Systems and processes for effective collaborations with external stakeholders or non-state actors (including the private sector, academia, and civil society organizations) are weak and need to be strengthened to leverage diverse expertise and resources which may fall outside the purview of government bodies.

3

Strengthen risk-taking ability in the government: Fear of adverse consequences discourages decision-making and risk-taking. Encouraging a culture of innovation and greater risk-taking within the government system is essential for driving large-scale reforms and achieving breakthrough results.

4

Competent staffing: Many of the central government's key functionaries at the higher policymaking levels lack adequate domain knowledge. Vastly improving their competence and creating an environment that attracts and retains the best talent in the country is critical. This will require greater attention to the current systems of recruitment, career progression, compensation, and capacity building.

5

Strengthen institutional mechanisms for integrated visioning, oversight, and implementation: Since so many issues entrenched in public policymaking cut across sectors, it is often inadequate to plan for the future in silos. Many outcomes need a holistic vision and plan which demands attention from "all of the Government". An institutional mechanism is needed to ensure integrated visioning, planning, and coordination of implementation.

6

Strengthen economic development focus in the current urban planning systems: Since cities will be the epicentres of desired growth, the urban planning process needs to have strong economic visioning and move away from concern itself primarily and predominantly with land usage.

3. Another weakness repeatedly pointed out was the lack of capacity for efficient service management and the absence of systematic programs for building the required capacity.
4. Regarding planning, the primary concern was that the current planning systems are over 70 years old and, therefore, outdated. They are not appropriately suited to cities in a rapidly urbanizing country like India. They are primarily land-use plans and do not consider an economic vision for the city. Accordingly, the plans seldom consider the needs of a city for its future economic growth. It is, therefore, not surprising that there are frequent violations of the master plan to meet the growing infrastructure needs of the city,

Rationale for the strengthening suggested

Several reasons were given to justify the strengthening needs, as mentioned above. Among the main reasons given were the following:

- Fragmented governance is dysfunctional, especially at the policy level. More integrated thinking within major sectors will be extremely important to avoid wasteful expenditure and conflicts. It will also allow easier inter-sectoral policymaking and planning, as fewer agencies must get involved.
- A dominating and internally focused government machinery is not conducive to leveraging external talent and relies too heavily on the limited talent within the government system.
- An inadequately equipped civil service, in terms of their domain expertise for certain sectors, can be dysfunctional, especially as those with limited knowledge tend to dominate over those who are much better informed. More often than not, this is the case.
- To move ahead quickly, risks and experimentation are necessary. Anything that constrains such risk-taking will delay progress.
- Cities will be fundamental to India's growth story if we are to learn anything from the rest of the world. Beyond a point, economic growth is mainly concentrated in the manufacturing and service sectors of the economy, both of which take place in urban areas. Therefore, unless cities are planned around an economic focus and managed more professionally, investments will not occur, and growth will slow down.
- Overly stringent regulations inhibit investments, and governments must be seen as facilitators rather than controllers if India has to move at the needed pace.

South Korea and China are two examples of countries that made very rapid strides in the 1960's and 1980's. The following page presents some of the reforms they carried out in their administrative systems, in addition to several other reforms. These go to show that the suggestions made during the panel discussions and fireside chats are indeed of the kind that would propel India toward its desired momentum.

South Korea and China's Economic Transformation

In the early 50s, South Korea ranked as one of the poorest countries in the world, close to sub-Saharan Africa in per capita income. The 1960s began South Korea's transformation under President Park Chung-hee. State-led development strategies based on industrialization and growth through export were adopted, as well as essential reforms through five-year economic plans, extensive land reform, and significant infrastructure investments.

Apart from land reforms, financial sector reforms, and social sector reforms, several administrative reforms were also introduced. These included:

- ◊ A merit-based bureaucracy was introduced, ensuring better administration of developmental programs.
- ◊ By eliminating red tape in the bureaucracy, the government expedited all kinds of industrial licensing and trade activities.
- ◊ Public-Private Partnerships were taken up by offering subsidies and protection while providing outcome-based performance metrics and ensuring that these were met.
- ◊ Education policy reforms ensured a well-trained labor force - the backbone of industrial development.

As a result, the country went from being a low-income economy to an advanced one in less than three decades, sustaining an average GDP growth of 9% annually from 1960 to 1990. The reforms ensured the development of worldwide-class infrastructure, the financial sector's efficiency, and the workforce's competitiveness with other global counterparts.

Like South Korea, China began its economic transformation from a similarly difficult start. In 1978, China's de facto leader, Deng Xiaoping, launched a series of economic reforms to modernize the country and connect it to the global economy. "Reform and Opening-Up" meant that the government had to move away from its strict socialist model of economy to a market-oriented one. Apart from agricultural reforms, labor market reforms, reform of State-Owned Enterprises, and cultural and educational reforms, China introduced several administrative reforms.

These included:

- ◇ Decentralization of decision-making to sub-national levels
- ◇ Meritocratic governance and merit-based examinations, which allowed civil servants the opportunity to rise through the ranks based on their achievements.
- ◇ Anti-corruption measures to weed out corrupt officials and restore public faith
- ◇ Adoption of IT and market mechanisms in governance

As a result, from 1978 to 2020, the average yearly growth of its GDP was approximately 10%.

In the next section, we will examine how these strengthening needs can be addressed by looking at examples from other countries and organizations, based on these, the next section also makes suggestions that would be appropriate in the Indian context.

Addressing the strengthening needs

As stated earlier, the panel discussions and fireside chats highlighted six reform needs for a successful Viksit Bharat. In this section, we examine each of these in terms of what they are, why they are important, and the current challenges. Thereafter, we present international examples that offer lessons for India. Following this, we suggest how these needs can be implemented in the Indian context.

Improve internal collaboration

What is it?

Internal collaboration refers to the close interaction between different sectors and subsectors, and different levels of government in jointly working towards a common developmental goal. Thus, it has two dimensions: between sectors and subsectors, and between central, state, and local government levels.

Why is it important?

Broader national outcomes cannot happen within individual sectors. In most cases, they need the active involvement of multiple sectors. Hence, collaboration across sectors is critical. Similarly, state and local governments are the delivery mechanisms for public-oriented policies in many areas, with the central government primarily coordinating and facilitating. For example, the central government may provide a significant share of the financial resources and the required technical support. However, delivery happens at decentralized levels like states, cities, or other local bodies. This makes it very important for close collaboration between different levels of government.

What is the challenge?

As expressed earlier, the central government has too many ministries and departments. In particular, having multiple ministries, even for single sectors like transport and energy, makes collaboration among the different verticals difficult to achieve. Such fragmentation also leads to inefficiencies, duplication, and increased costs as ministries tend to operate in silos, each of which may have mutually divergent and competing priorities. Reducing the number of ministries will, in effect, reduce the degree of fragmentation and enable logical single sectors to remain integrated.

For example, we see one ministry investing in a high-quality expressway between two cities and another investing in a high-speed rail system between the same two cities. Similarly, meeting our climate commitments may require short-haul flights to be replaced by high-speed rail systems as rail is much cleaner than air—but as long as these seemingly convergent responsibilities are straddled by two different ministries it would be difficult to execute. Both would see themselves as guardians of their respective sub-sectors and not as guardians of the larger transportation sector, which ensures emissions from the transport sector come down.

Similarly, there exists a rather paternalistic mindset in the central government, which tends to control state governments instead of playing a more supportive and facilitating role. This probably stems from the central government providing a significant share of the financial resources. Therefore, they tend to drive action in the direction desired by them rather than look to the state and consider the contextual needs to decide the most efficient utilization of the funds.

International examples

Drawing lessons from other countries can offer valuable insights into reducing this fragmentation and strengthening internal collaboration. Some examples are given below:

- 1. Germany** has had approximately 15 ministries, even during coalition governments. It ensures clear coalition agreements that outline specific responsibilities and reduce the need for additional ministries. It has a robust legal framework (Basic Law) that defines federal structures and minimizes the arbitrary creation of new ministries.
- 2. Indonesia** employs a system of coordinating ministries alongside its 34 ministries to enable coordination across sectors. These coordinating ministries oversee broad sectors, thus reducing duplication of efforts and ensuring cohesive governance.
- 3. France** also has only 15 ministries to minimize inter-sectoral competition and ensure streamlined operations.

4. Canada maintains 20 departments—each with fairly broad portfolios to reduce the need for numerous separate ministries, even during coalition or minority governments.

5. UK has 25 departments and has consolidated closely interrelated functions within broad-based departments like the Department for Business, Energy & Industrial Strategy (BEIS), thereby reducing the risk of duplication and centralizing policymaking and oversight under fewer roofs for streamlined governance.

6. USA has 15 departments, despite being such a large country with geographic and demographic diversity. It has separated policymaking and planning from implementation by keeping its departments responsible only for policymaking and planning, with several “Administrations” under each department deemed responsible and accountable for implementation. Thus, there is one Department of Transport responsible for policymaking and planning, but there are separate “Administrations” responsible for implementing policies relating to the various sub-sectors. There is a Federal Transit Administration (FTA) to implement urban mass transit policies and plans, a Federal Highway Administration (FHWA) to implement highways policies and plans, a Federal Maritime Administration (FMA) to implement maritime policies and plans, and so on. These Authorities house the technical skills needed to discharge their functions, whereas the Department only houses higher-level policy and planning capabilities, where deep technical skills may not be required. The Department of Transport and each of the Administrations is headed by a political appointee chosen by the President and not necessarily picked from the permanent staff pool. As a result, the system allows many more political appointments to be made.

The most important learning from these is the need to limit the number of ministries and, thereby, the fragmentation.

Lessons and recommendations for India

Based on a review of the international examples, the following recommendations are being made for India:

- 1. Consolidate ministries:** Reduce the number of ministries to streamline policymaking and make planning more cohesive. Review all the ministries and departments and consolidate them into no more than 15 - 20. A suggested list of 15 ministries is given in Annex 3. To make this effective, it would be advisable to enact legislation that lists ministries and defines their responsibilities. Currently, this is done as an Executive Order, where the Cabinet approves the creation of new ministries and defines their responsibilities. However, having this as part of the legislation will make it more difficult to make changes merely for short-term political expediency, especially during coalition governments.
- 2. Establish cross-sectoral high-level standing committees:** This would require setting up high-level standing committees covering a cluster of inter-related ministries to help integrate policymaking across fragmented and inter-related sectors. This could also be done through designated coordinating ministries. For example, a standing committee on “food systems” could bring together ministers responsible for food production and farmers’ well-being. Another standing committee could be on “economic development” and yet another on “security systems.” These committees should also include a few well-known experts to help provide the needed expertise and guide the discussions, which should rise above narrow sectoral interests and focus on larger national priorities.
- 3. Establish “Missions” to achieve some important outcomes:** For some of the high-level outcomes, such as significant improvement in the quality of life in urban areas, there could be “Missions” that draw expertise from the different ministries but work under a common mission leadership instead of a single ministry leadership, to achieve the desired goals. There have been several examples of this in the past, but in many cases, these missions were not independent of a parent ministry, thereby limiting their effectiveness. Keeping them outside the ambit of ministry-based limitations and giving them flexibility in functioning can lead to much better results.

- 4. Separate policymaking and planning from implementation:** There is merit in separating policymaking and planning from execution as policymaking needs greater integration across sub-sectors, whereas execution needs greater knowledge of deeper technical issues related to the sub-sector. Creating dedicated execution arms for each sub-sector, as prevalent in US governance, can facilitate this separation, allowing them to operate independently with reduced oversight from the respective ministries.
- 5. Political leadership for execution:** There could be political leadership even for execution agencies (like in the US). This would ensure the executive receives clear direction and support in its implementation effort and greater political accountability in implementation. Each execution arm can be headed by a Minister of State, a relatively junior secretary, or an Additional Secretary. Cabinet ministers and senior-level secretaries could head ministries, and senior secretaries could be the official heads of Ministries and Departments.

Strengthen collaboration with external stakeholders

What is it?

Collaboration with external stakeholders refers to the extent to which the government works, or is willing to work, with various non-state actors, such as academia, industry, think tanks, civil society, and others. It indicates how effectively the government engages with others in its policymaking, planning, and execution roles. Engagement can be at multiple levels. At one end, it can be limited to mere consultation, but at another, it can be a near-complete delegation to an external entity. Within these extremes, an external partner would have varying degrees of involvement.

Why is it needed?

Collaboration with external stakeholders is important as governments cannot possibly house all the required talent within their systems. There is a lot of talent outside the government, and leveraging these will only help the government enhance its performance, make better policies and plans, and undertake more efficient execution. It is a way of tapping all the good talent the country has or even the talent available internationally. It allows for much better feedback on draft policies or ideas, enabling the government to make better decisions. A process of wider feedback and honest consultation is, therefore, a good practice to adopt for any government.

Further, there are certain things that governments are good at, whereas there are others where partners can perform better. While Governments are good at understanding people's needs and working towards equitable distribution of opportunities and resources, academia is much better at research and analysis to inform policymaking. Similarly, the private sector is better at operating systems and implementing decisions. Civil society is good at engaging with people and driving initiatives, while also creating awareness and upholding value systems. These capabilities can be harnessed for the larger public good if governments collaborate well with external stakeholders.

Collaboration with external stakeholders also helps build an early constituency of support for the government's policies and plans.

What is the challenge?

Sadly, despite over 75 years of independence, the cultural mindset within many parts of the civil service remains colonial. The Raja-Praja* attitude does not seem to have gone away yet. As a result, the ability of the government to

* This refers to the attitude of a King Vs Subject, where the king is the supreme authority and the subjects must obey.

work in partnership with external stakeholders like industry, academia, and think tanks has been weak. They are not seen as equals. The government tends to look upon itself only as a paternalistic giver of benefits and not as an equal taker of knowledge and ideas. The fact that the government benefits significantly from external collaboration does not seem to have sunk in strongly enough. Larger policymaking, in many cases, becomes more of an internal exercise than a collaborative and consultative effort. As a result, it often faces challenges in public acceptance during implementation.

International Examples

Internationally, there are many ways in which governments collaborate with non-state actors and external stakeholders. Some of the more popular forms have been the following:

1. Multi-stakeholder platforms - These platforms bring together government, private sector, civil society, academia, and other stakeholders to collaborate on policy development and implementation. Norway's environmental governance showcases such a platform, where the government collaborates with NGOs and academia to manage fisheries sustainably, reduce conflicts, and promote best practices.²¹ Similarly, in Sweden, the city of Malmö has established collaborative platforms involving government, private developers, and local communities to enhance sustainable urban development and improve quality of life.²²

A small number of such platforms have also been created in India. Initiatives such as the Swachh Bharat Mission have successfully engaged diverse stakeholders to address sanitation challenges.²³ The initiative has improved sanitation coverage and hygiene practices nationwide. Similarly, "eFast" has been set up as a multi-stakeholder platform for collaborative working to accelerate the deployment of electric trucks for freight movement.²⁴ This platform brings together government agencies like the NITI Aayog, think tanks, fleet operators, academic institutions, and other stakeholders.

2. Public-Private Partnerships (PPPs) - PPPs involve collaboration between government and private sector entities to deliver various public services and infrastructure projects. These partnerships leverage private sector expertise, innovation, and investment while ensuring public planning, oversight, and accountability. The UK's High-Speed Rail 2 (HS2) project is a notable example, involving the government and private sector in developing high-speed rail infrastructure to enhance connectivity and economic growth.²⁵ In Australia, healthcare PPPs, such as the Royal North Shore Hospital in Sydney, demonstrate how private management ensures efficiency while government oversight maintains

public service standards.²⁶ Examples of these have been seen in India, especially in highway construction, airport expansion/ modernization, and some metro rail systems. The Delhi and Mumbai airports are two good examples of these.²⁷ The Delhi Noida Toll Bridge is another example of a public-private partnership established to provide connectivity between Delhi and Noida.²⁸ A recent initiative to tap the private sector in skill development (highlighted in the finance minister's budget for 2024-25) is a step in the right direction.²⁹

3. Industry-academia collaboration - Industry-academia collaboration involves partnerships between universities, research institutions, and private sector organizations to conduct research, develop technology, and enhance workforce skills. As international examples, Germany's Fraunhofer Institute partners with industries and universities to conduct applied research, driving technological advancements.³⁰ In the US, the Massachusetts Institute of Technology (MIT) collaborates with industries through its Industrial Liaison Program, providing a model for successful industry-academia partnerships.³¹

4. Social impact partnerships - These address social challenges through collaboration between government, civil society, and private sector entities. In the US, New York City's Center for Employment Opportunities (CEO) introduced Social Impact Bond investing to reduce recidivism rates among formerly incarcerated individuals, with private investors funding the program and government repayment based on success.³² In another example, the Massachusetts Juvenile Justice Pay for Success Initiative focuses on reducing juvenile detention rates through preventive interventions funded by private investors, with government reimbursement as incentives upon achieving certain outcomes.³³

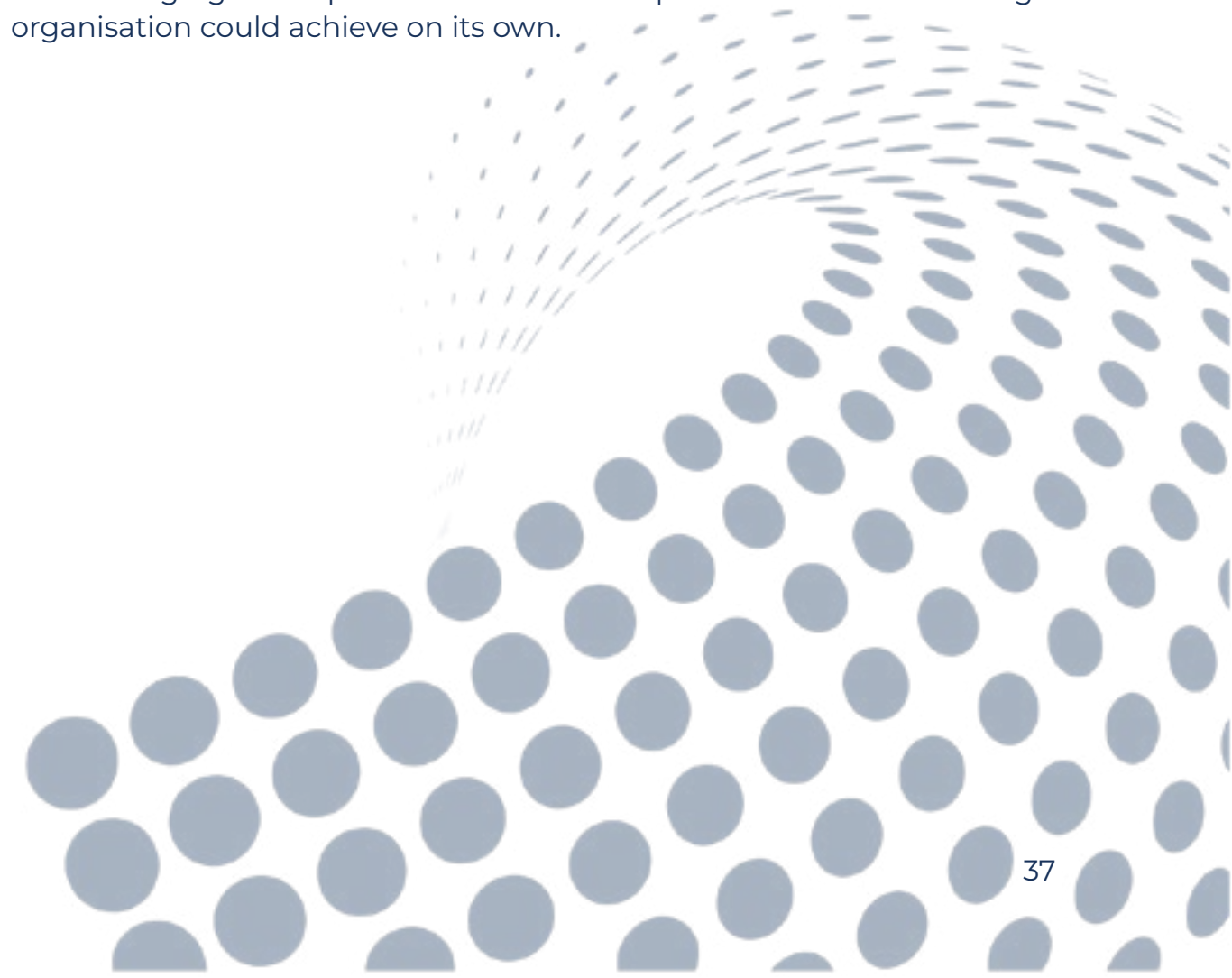
For example, in India, the NITI Aayog collaborates with many stakeholders and civil society organizations to support its Aspirational Districts Program and Aspirational Blocks Program, wherein external partner organizations help attain social objectives such as improved nutrition, improved farming practices, improved education, etc. in the country's more backward districts and blocks.³⁴

5. Policy Labs and Innovation Hubs - Policy labs and innovation hubs serve as platforms for experimentation, co-creation, and prototyping policy solutions. These collaborative spaces bring together policymakers, experts, entrepreneurs, and citizens to tackle complex challenges through design thinking, data analytics, and technology.

The UK Policy Lab's "Help to Save" scheme is a good example of collaboration through stakeholder engagement, co-designing initiatives, and partnerships across sectoral lines. The Behavioural Insights Team, originally part of the UK Government, became a social purpose company in 2014. In 2018, it co-designed and launched the scheme to enhance savings for low-income individuals. It also built successful partnerships with financial institutions and government departments to ensure effective implementation.³⁵

NESTA or the National Endowment for Science, Technology and the Arts, is another notable example from the UK that has pioneered the concept of 'open innovation' through its "Challenge Prize" model. This initiative allows individuals and organisations from all walks to propose policy and programmatic solutions to solve public issues. In 2010, its "Big Green Challenge", worth a million pounds, for reducing carbon emissions in communities, received over 350 entries from community-based groups alone.

In the US, the case of GovLab's "Data Collaborative" initiative showcases the power of knowledge sharing to improve governance. In this initiative, city governments, nonprofits, and tech companies worked together to create shared datasets that bolstered analytics to help tackle issues ranging from public health to transportation—a feat no single organisation could achieve on its own.



Lessons and recommendations for India

It would be extremely useful to create an environment of vastly improved partnerships with external stakeholders, especially academia, industry think tanks, and civil society. Often, inadequate understanding of each other's positions and a sense of mistrust become a barrier to effective collaboration. Some suggestions in this regard are the following:

- 1. Scale up professional exchange programs:** Institutionalise an arrangement whereby civil service officers can go on deputation for a few years to industry, academia, or think tanks and where experts from these organizations can be brought into the government (in ministries) for a certain number of years. This exchange will help both sides get a better understanding of, and greater respect for, each other. Currently, there is a mechanism under which government officers can work in think tanks and academia for some years. This needs to be scaled up, and the time spent outside the government should be valued. Currently, this is not done. A message that this is important for their careers will be a powerful message to convey. Their performance outside the core government system should be evaluated to determine suitability for higher positions.
- 2. Include more external experts in high-level committees:** The government sets up various committees from time to time, which should necessarily include external experts. In particular, the high-level committees recommended to coordinate across sectors will benefit immensely from external expertise.
- 3. Leverage NITI Aayog for coordination and maintaining a cross-sectoral pool of experts:** NITI Aayog could be an excellent agency to coordinate the involvement of external experts. It works with many partners and serves as a good repository of the talent available in the country. It has indeed set a pioneering trend of external collaboration, which needs to scale up.
- 4. Increase public-private partnerships:** In India, PPPs have been adopted in several infrastructure projects, especially road construction and maintenance, electricity distribution, some metro rail projects, airports, and affordable housing. Managing educational services, health services, public bus services, and urban water supply, among other services, are potential areas where the government can involve the private sector to achieve higher levels of efficiency.

5. Explore social impact partnerships: In India, these partnerships could focus on boosting educational outcomes in underserved regions, with NGOs and private companies providing resources and innovative teaching methods. In healthcare, collaborations could be facilitated between government support, NGO outreach, and private-sector medical technology to enhance service delivery in rural areas. The Corporate Social Responsibility (CSR) program exemplifies this, as it legally requires corporations to invest a portion of their profits in social activities.

6. Establish platforms for collaborative governance: Collaborative platforms involving government agencies, environmental NGOs, academic researchers, and local communities could tackle issues like deforestation and other environmental issues, water management, pollution control, and public health, among other key areas. For urban planning, partnerships among municipal authorities, urban planners, private developers, and residents could create sustainable and inclusive development plans.

7. Establish and support policy innovation hubs: Innovation Hubs could become sites to prototype and test policy solutions, leveraging technology and community engagement, for example, in public health and improving the quality of education in schools. These innovation hubs could become ideal sites for government-industry-wide joint research initiatives on pressing topics such as emerging technologies in artificial intelligence, renewable energy, and biotechnology. These could also become hubs for skill development programs tailored to industry needs, supported by government initiatives.

Strengthen innovation and risk-taking ability within the government

What is it?

In the context of this report, innovation and risk-taking refer to the ability and willingness to move away from “Business As Usual” and do things differently. There is an element of risk in attempting innovation, and a certain amount of boldness is needed to innovate. It involves making decisions with the confidence that if things go wrong due to bonafide errors of judgment, penalties, that cause permanent damage, will not be imposed on the decision-maker.

Why is it important?

Innovation is crucial for achieving extraordinary growth. Business As Usual can only give us a historical rate of growth. Even in that case, the rate of growth will taper out eventually if innovation is ignored. In India, where diverse challenges such as economic disparity, infrastructure deficits, and a burgeoning population demand innovative solutions, developing a culture of calculated risk-taking can pave the way for desired growth. By encouraging public servants to step outside their comfort zones and experiment with new ideas, policies, and technologies, the administrative system can help address complex problems more effectively. Embracing risk can lead to developing cutting-edge solutions that propel economic growth and improve the quality of life for millions of citizens.

Besides, innovation can stimulate a culture of continuous improvement and learning, creating an environment where experimentation and creativity are valued. For example, adopting digital technologies in public administration has transformed service delivery, making it more accessible and user-friendly. This happened despite concerns about job loss.

What is the challenge?

It is generally noticed that, in the public sector, there is a greater reluctance to innovate and take risks. Unfortunately, over the years, mistakes have tended to be penalized, and good performance is not suitably rewarded. Far too many “watchdogs” seem willing to pounce on a mistake and cause considerable misery to those who may have made a genuine error in their judgment. The ability to distinguish between a bonafide error of judgment and malafide intent seems weak—the result being that every mistake is considered to have had malafide intent. While the absence of malfeasance may ultimately be proven, it comes after considerable humiliation and embarrassment have already been heaped upon the officials involved, and indirectly, their families. This discourages innovation, and routine methods

are preferred. Precedents are given more importance than experimentation, which may have the potential for higher growth. This compromises the ability to make bold decisions and becomes a serious barrier to rapid economic growth.

Risk-averse behavior is particularly visible in public procurement, which has stringent regulations and oversight mechanisms. While these are in place to quell corruption and ensure accountability, they often result in poor choices. In several cases, unrealistic or inefficient bids were accepted because it was safer to do so.

The first attempt at the Hyderabad Metro

A good example of accepting unrealistic bids, because it was safer to do so, is the first procurement of a private partner for the Hyderabad metro rail project. Bids were invited from parties to partner with the Government of Andhra Pradesh to build and operate a metro in Hyderabad. Apart from other factors, an important criterion was that the party offering the highest premium or seeking the least subsidy from the government would be the winner. Unfortunately, one bid was extremely unreasonable in offering a very high premium, which would not have been possible. The evaluation committee sought to play safe and selected that party. A bolder decision would have been to acknowledge that the bid was unreasonable and select the next best bid. But this would have entailed risk for the evaluation committee members. Within a few years it became clear that the party selected was not up to the task and the project was shut down. The entire procurement process had to be started again, thus resulting in a delay of several years.

Another extremely demotivating factor is the undue importance given to frivolous complaints and excessive indulgence of “whistle-blowers.” In a 2010 study by the Department of Administrative Reforms and Public Grievances (DARPG), 58% of the IAS officers reported feeling that their performance was affected by baseless complaints and investigations. - the font formatting of this line is off.³⁶ While there could be multiple cases where the complaints raised were genuine, these statistics and perceptions nevertheless underscore the need for systemic reforms to encourage a more risk-tolerant environment within the Indian government, as well as create stringent accountability frameworks for complainants themselves.

Lessons from other countries

Several countries have established systems that enable greater innovation and risk-taking. Among these are the following:

1. Canada has set up an “Impact Canada Initiative”, under which methods such as innovation workshops are designed to bring stakeholders together to define problems and brainstorm solutions.³⁷ Additionally, design sprints are utilized as rapid, iterative processes to prototype and test ideas in real-world settings. At the same time, open innovation platforms serve as digital spaces for crowdsourcing solutions from a global community. Canada’s challenge-based funding programs, including Innovative Solutions Canada, provide funding for early-stage R&D, late-stage prototyping, and procurement of innovative products.³⁸
2. New Zealand has created an enabling legislative and cultural framework supporting risk-taking and government innovation. The Public Finance Act (1989) and State Sector Act (1988) encourage public servants to experiment with innovative approaches through pilot programs and trials.³⁹ Additionally, a Regulatory Impact Analysis (RIA) process also ensures that proposed regulations are effective, innovative, and minimally burdensome.⁴⁰
3. In the UK, the Government Digital and Data is another example of a cross-government community of over 28,000 professionals promoting collaboration, skills development, and knowledge sharing. Regular meetups, hackathons, and an active online community contribute to a culture of continuous improvement. The GovTech Catalyst program facilitates collaboration with tech companies to develop innovative solutions, resulting in significant breakthroughs, such as using AI to detect pension fraud.

4. An excellent example in India was a global housing technology challenge. Faced with the situation of a huge backlog in affordable housing, it was decided to go beyond the existing construction methods to look for alternative ones that would enable low-cost houses to be built faster, more economically, and also be environmentally cleaner. A global challenge was led by the Ministry of Housing and Urban Affairs, where multiple participants from around the globe showcased new technologies.⁴¹ Six of these were picked up for pilot projects before being scaled up.

Yet another example was the procurement of electric buses through a Grand Challenge. Faced with low offtake of the subsidies available for this procurement, the NITI Aayog and the Ministry of Heavy Industries came together to ask Convergence Energy Services Limited (CESL) to aggregate demand from multiple state transport corporations and make a common procurement. Simultaneously, this initiative also sought to induct private parties to operate these buses on a Gross Cost Contract, instead of having the buses run by the State Transport Corporation. This involved considerable risk, especially due to severe objections and sabotage from the State Transport Corporation employees. Yet a tender for 5450 buses was floated, and very competitive prices were received. This also turned out to be the single largest tender globally for the procurement of electric buses and has attracted attention worldwide.⁴²

Lessons and recommendations for the Indian Government

Based on the above, suggestions for consideration in India are the following:

1. Establish multiple platforms that can bring together several stakeholders to work towards a desired outcome jointly. The government should encourage and nurture such platforms.
2. Use the challenge method more widely for procuring outcomes as opposed to the traditional procurement method. The challenge method seeks solutions to desired outcomes, whereas the traditional procurement method has identified the solution to the last level of detail and seeks to execute that solution only. It does not allow flexibility in procuring innovative solutions.
3. By law, investigating agencies should not be allowed to start an investigation against any government official without specific approval. Such approval should be given only after quick formal and informal enquiries about an officer’s reputation. This will help understand if an officer is indeed of questionable integrity. Amendments to the Prevention of Corruption Act (1988) should provide this leeway.

4. Once initiated, investigations should be completed within a specific time period of no more than 6 months. If more time is needed, for example, if the officer is not cooperating in giving information, the investigating agency should seek extended time, with reasons for why it could not be completed in time.
5. All the rules and procedures relating to the procurement of goods and services or allocation of public resources should contain a specific provision that deviations from the procedure laid down are possible, but the reasons for making the deviations should be recorded clearly. This would allow innovation in specific cases, where needed. Rules cannot possibly visualize every eventuality, so flexibility should be provided in the rules themselves.
6. Many cases of corruption come up due to flaws in the procurement process or in the valuation of public assets being auctioned. In many cases, this is due to deviations in the process followed. Therefore, it will be useful to have specialized units in the government to either undertake the procurement or sit through the entire procurement process to provide guidance on the procedure. The World Bank and most UN organizations have a separate procurement division that hand-holds procurement actions and is a party to the procurement. This allows a small set of trained manpower to guide all procurement work. The same process can be followed in the valuation of public assets.
7. Whenever a frivolous case, primarily aimed at harassing an officer, is detected, it should invite action against the person who makes the complaint. This would be a deterrent to any frivolous complaint.
8. Promotions and career progression should not be held up merely due to the ongoing investigation process, as they are now. Promotions may be given or appointments made on a provisional basis, but they should not be held back altogether. Stalling promotions have often been the reason for frivolous complaints by potential rivals. Such action should be nipped in the bud. If malfeasance is subsequently established, the promotion/ appointment can be withdrawn, and punitive measures undertaken.

Competent Staffing

What is it?

Essentially, competent staffing relates to having staff with the right level of knowledge and capability at various government levels so that they can effectively discharge their responsibilities.

Why is it important?

Unless the staff is appropriately educated, trained, and experienced in carrying out a certain task, they will not be able to do it well. Decisions taken by the government impact the entire country, and so we cannot afford mistakes that take place by not having the right kind of competence at the right place. Having the right competencies will enable better policymaking, planning, and implementation. Those who are not appropriately equipped in terms of their competence will have to learn on the job, and this will lead to either avoidable mistakes or delays. At a time when India needs to move ahead quickly such mistakes and delays will slow things down.

What is the challenge?

The major challenges in ensuring competent staffing have already been pointed out in earlier chapters (see Ch. 2 and Ch. 3), where the concerns emerging from the panel discussions and fireside chats have been highlighted. They're not being repeated here to avoid duplication. But to briefly recapitulate, they relate to the following:

- a. An extremely long recruitment cycle, coupled with very good options available outside the government, is turning away some of the country's best talent.
- b. Career progression is more a matter of years sent in the service with merit playing a very limited role.

- c. Placements, especially at senior levels, do not match the assignment requirements with the competency of the person selected. It is more a matter of matching the availability of a vacancy with the availability of an officer to fill that vacancy. Inadequate domain knowledge at senior levels is a big risk, especially in many sectors that are no longer suitable for generalists.
- d. The time available at senior levels to take up meaningful work is very limited. Frequent changes of senior-level incumbents create uncertainty in policymaking.
- e. The performance appraisal system is very subjective and does not depend on the outcomes achieved. It does not reward good performance or risk-taking but rewards officers who play safe.
- f. Investments in capacity building for political leadership and lower civil service levels have been paltry or non-existent.
- g. The motivation levels of the lower civil services, which constitute the base of the administrative system pyramid, are very weak.
- h. Compensation levels, though satisfactory, are perceived to be low, primarily because many of the perks available to civil servants are not monetized and, therefore, not visible in the early stages of a civil servant's career. This, again, makes public service unattractive to many highly talented youth, who see salaries outside the government (or, to be more specific, in the private sector) as much more lucrative.

International examples

Recruitment process and selection pools

1. The **US** does not have a single pre-dominant channel for entering the civil services but offers multiple pathways. The most popular route is direct applications through the website of the US Office of Personnel Management (OPM), which serves as the chief HR and personnel managing agency for the Federal Government.⁴³ The OPM also provides the policies, guidance, and tools that help Federal Agencies develop and manage their respective workforces.⁴⁴ Positions are often open to applicants from outside the civil service, meaning promotions are not exclusively from within but are based on a mix of experience, performance, and merit

Recruitment of civil servants in the General Schedule (GS) system, on the whole, is decentralized, with each agency conducting its hiring. In general, recruitment is from a wide pool of open-market candidates. However, recruitment for lower to mid-level positions often takes place through a merit-based system for individual roles within specific departments.

Many federal positions require passing exams, and selection processes often include interviews, competency assessments, and background checks. Veterans may receive preferential treatment in hiring processes.⁴⁵

2. In the **UK**, civil service exams and competency-based assessments are used to select civil servants, and there are multiple entry points. The Civil Services Jobs website makes direct entry through job applications at all levels—including specialist roles in law, finance, and IT—possible. Most recruitment is done for specific positions tailored to department needs. Schemes like the Future Leaders Scheme encourage growth and fast-track civil servants' careers to senior leadership roles.⁴⁶ Programs like Fast Stream and Apprenticeships offer graduate students direct access to civil services roles, targeting a larger pool of open-market candidates.⁴⁷ Competency-based interviews and psychometric tests are common.
3. Merit-based recruitment in **Canada** uses a Public Service Commission (PSC) at the federal level. Jobs are posted on the PSC website, and applicants can apply directly.⁴⁸ Recruits are picked from a wider pool, especially for entry-level jobs in broad streams, and individually for specific roles, especially at higher levels. In addition, several categories of candidates are selectively targeted through specific recruitment tracks, including Recruitment for Policy Leaders (RPL) (targeting highly skilled candidates with advanced degrees or leadership experience), Indigenous Student Employment Opportunity (ISEO) (available for candidates from Indigenous communities), etc. The recruitment focuses on role-specific exams followed by interviews.
4. Two types of staff are employed in **Germany**—civil servants (Beamte) who are recruited through exams to a particular career stream from a vast pool of candidates and public employees (Angestellte) who are recruited for individual positions in departments. Both types of employees are recruited through direct job postings. The Beamte are career civil servants recruited for a large pool of positions through state or federal exams. Non-tenured public employees are recruited for individual positions based on specific departmental needs.

Beamte are highly regulated and governed by specific laws. They are appointed for life and undergo rigorous training, exams, and a probationary period before becoming permanently tenured. They also receive generous perks like lifelong pensions, special rights, and legal protections. There are four service classes under federal civil services, each requiring a different educational degree. In essence, the more senior the role is, the higher and more appropriate the university degree is required. Public employees (Angestellte) are hired on fixed-term contracts and governed by general labor laws, with the possibility of permanent employment

after years of satisfactory service.⁴⁹ Public employees have no equivalent service classes, and recruitment is still based on education and merit.

Further, Trainee Programs and Dual Programs exist for students to apprentice with the government while studying. Special job opportunities are reserved for minorities to promote diversity and gender equality.

Promotions

Promotions across these countries vary. While some countries favor seniority, others place more emphasis on merit.

1. The General Schedule (GS) system prominently supports federal services in the US, which includes almost 70% of federal employees. Promotions are based on a mix of “performance and longevity”. On average, it takes 18 years of service to cross all 10 steps of a pay grade (there are 15 pay grades for primarily federal employees, ranging from G-1 to G-15).⁵⁰ However, outstanding performance ratings might speed up the process. “GS employees may advance to higher grades by promotion at certain intervals (generally after at least a year), as determined by OPM regulations and qualification standards and agency policies, up to the full promotion potential advertised in the job announcement. After that, competition under merit system principles is necessary to advance to a higher GS grade.”
2. In the **UK**, jobs are classified into grades ranging from AA (Administrative Assistant) to the Senior Civil Service (SCS).⁵¹ Career progression within the civil service is primarily performance-based, especially at higher levels. Promotions are made through competitive assessments, including competency-based evaluations, and are not primarily tied to seniority. This allows for quicker advancement for high performers.
3. In **Germany**, the “Beamte” are classified into different ranks: A, B, and C grade. Within A-grade, roles are defined under 16 levels, ranging from entry-level positions, which usually require vocational training, to senior management roles, including heading departments. B-grade roles are categorized into 9 levels and are reserved for higher-ranking officials who manage complex and senior responsibilities. C-grade roles have 3 levels, and these are reserved for senior-most executives. Promotions are often seniority-based, though merit plays a role, especially for higher ranks. However, performance evaluations are also considered for rank advancement, balancing seniority with merit. Terminating Beamte for poor job performance is difficult unless in cases of serious felonies. At best, poor performers may be transferred.

The structure is somewhat different for public sector employees

(Angestellte). Their career paths and salaries are governed by collective agreements between employers and employees (negotiated by trade unions), including salary, work conditions, and benefits. Public sector employees, therefore, progress primarily through experience and qualifications. They can be more easily terminated, and promotions are often tied to performance reviews and completing additional education or training.

4. Civil services in **Canada** offer a structured career path based on a classification system that groups jobs according to type and responsibility, such as administrative services and program administration. Many employees enter through entry-level positions, and once in the system, they get ample opportunities for promotions through competitive exams or reclassification of roles as responsibilities evolve.⁵² Senior roles, including executive positions, require extensive leadership skills and experience. The Public Service Employment Act ensures that promotions are competitive and positions are often advertised, allowing for merit-based selection. The system also allows employees to move laterally to other regions and departments without necessarily rising up the ranks.
5. In **Australia**, promotion by seniority is up to the level equivalent to a Director in India. From thereon, it is through merit and competition.⁵³ Positions are advertised and applications are invited. Even lower-level officials can apply for positions that occupy more than a grade above theirs, as can private citizens.

Compensation

1. In the **US**, the system is divided into 15 pay grades, with G-1 being the lowest and G-15 being the highest. Each grade has a base salary and a locality or regional adjustment based on the cost of living in different states. Different agencies classify jobs according to difficulty and responsibility levels. OPM lists that each grade has 10 step rates, with each rate equalling approximately 3% of a civil servant’s salary⁵⁴.

Federal employees fall under four pay systems that cater to GS employees, blue-collar workers (under the Federal Wage System), and specialized pay scales for professionals in law enforcement, military, and science-based roles. The salary of GS employees is determined by a combination of their pay grade, step level, and locality. Federal employees are also entitled to overtime pay. As of 2024, the Senior Executive Service (SES) Level 1 employees earn between \$147,649 and \$221,900 annually, depending on rank and experience. While Executive Schedule employees earn between \$180,000 and \$246,000.⁵⁵

2. In the **UK**, civil servants' pay varies by grade. In 2024, the median annual salary was reportedly GBP 33,980 across grades.⁵⁶ However, salaries vary greatly in absolute terms. As of April 2024, the pay range for a level 3 Senior Civil Service (SCS) official was between GBP 128,000 and GBP 208,100.⁵⁷ For the SCS, performance-based remuneration is also tied to long-term performance. The lowest salary for entry-level employees stands at around GBP 23,286.⁵⁸
3. Public servants in **Canada** also enjoy competitive pay. However, salaries vary widely depending on the level of responsibility. As of April 2024, EX-01 (entry-level) salaries range between CAD 134,827 and \$158,601 annually. EX-05 (senior executives) earn between CAD 217,308 and CAD 225,607 annually.⁵⁹ Furthermore, additional bonuses are also given, which are tied to performance.
4. In **Germany**, Beamte and Angestellte are classified into job grades, as discussed earlier. Within each job category, there is a specific salary scale that consists of different steps ("stufen"), within the specific salary grade or pay group. "A pay group is a specific group that is usually differentiated by levels. Each pay group is assigned a specific training, qualification, job profile, and experience. Each job profile therefore has different pay groups and levels."⁶⁰ Generally, there are six steps within each salary scale. The salary structure is therefore categorized into various levels, influenced by seniority, location, and responsibility levels. As employees gain seniority and experience, pay increases, and so they "move up" the steps of the salary scale. Angestellte or public sector employees may be upgraded or downgraded to a pay group (ranging from E1 to E15) depending on their performance.

As of 2024, the highest gross annual salary for a federal employee in level 5 of the pay group E15 is EUR 8604.56. For a level 2 E1 employee, it is EUR 2355.52. Beamte also enjoy additional bonuses and job security.⁶¹

Lessons and recommendations for India

There is a dire need for greater professionalism and merit-based career progression. Careers cannot be based on the results of a single examination taken several years ago and seniority being counted from that point onwards. Greater weightage must be given to appreciate the efforts made to improve oneself during the career. Senior levels of the administrative machinery need credible leaders who command respect by virtue of their capabilities, not merely by their positions. There are several situations where the top leadership is required to participate in international events on behalf of the Govt. of India and even negotiate on behalf of the country. Making

the most out of such forums to come out as true leaders in the field is an essential quality if they are to represent the country meaningfully. Hence, competent staffing is critical to the country's progress towards its goal.

Given the challenges highlighted during our consultations and the international experience, the following lessons and recommendations are being made for consideration in India:

1. Recruitment

1.1. The recruitment system for the higher civil services needs to be completely rethought. Dependence on a single examination at the entry level, more so when evaluation can include an element of uncertainty, is not what the country needs today. For the higher civil services, a streamlined process could include an objective test followed by an interview, completed within three to four months. This system should produce a shortlist of candidates, approximately three times the available positions. This first step could be followed by a three to four-month training and evaluation period at a centralized institution like the Lal Bahadur National Academy of Administration. This centralized training and evaluation effort could result in a final selection of one-third of the participants. This would ensure a much better evaluation of three times the number needed to confirm the best candidates. Further, the shorter selection process would not deter good candidates from appearing. The candidates who are not finally selected from the shortlist and who participated in the training and evaluation process could remain a part of a panel for a one-year period. This panel could serve as a pool for possible opportunities that may come up in other government agencies and PSUs during the year. They could also be considered good candidates for lateral entry later in their careers. A similar system, with multiple entry points, can also be considered for the lower civil services.

1.2. Most development ministries need to review their current staffing patterns. There is a strong need for much better analytical capability and technical competence in these ministries. The generalist clerical staff that can look at a rule book to pronounce whether a request can be allowed or not is not the day's need. The absence of such technical and analytical capability in many development ministries leads to such ministries relying a lot on consultants and think tanks for their work. A few ministries have technical advisors, but the strength is grossly inadequate to meet current needs. Alternatively, using consultants and think tanks should be encouraged, and adequate financial provisions should be made to pay for their services. This may, in fact, be a more cost-effective option than having full-time personnel. Still, at least a small component of technical competence is necessary to

understand what the consultants and think tanks have done and take their work towards logical policymaking and planning.

2. Capacity building and motivation

2.1. Officers' efforts at building their own capacities through self-learning and development, or even going out of this system for a few years to return thereafter, should be viewed positively rather than negatively, as it is done now. In fact, this should be given due weightage when determining the career progression of an officer. Funds should be set apart to support any officer who makes efforts to secure admission into top-ranking educational institutes as a step towards self-development or even seeks to learn through the available online courses.

2.2. The capacity-building exercise, if taken up across all levels, will help build competence and serve as a tool for building motivation. Even junior staff being invited to capacity-building will signal that they are important members of a larger ecosystem. This visible signal is missing today.

3. Performance assessment

3.1. Performance assessment systems need to be reviewed. Presently, the systems are focused on finding faults and not celebrating risk-taking or good performance. Performance reviews should be used to guide improved performance and motivate staff.

3.2. It is necessary to have a cascaded system of outcomes that flow from national goals. Such outcome targets should be set for each cluster and each agency within the cluster, further flowing down to each officer. Responsibility for achieving these outcome targets should be fixed, and performance should be evaluated based on how well they have been achieved.

4. Career progression and domain specialization

4.1. Postings at and above the joint secretary level should be confined to a particular domain* to which an officer can be allocated as a joint secretary at the time of empanelment. These domains can be allocated based on an officer's application that demonstrates their justification to be allocated to a particular domain. This would ensure that top-level officers have the relevant experience needed for delivering high-quality results and effective

* The Surendra Nath Committee had recommended 11 domains - Agriculture and Rural Development; Social Sectors (Education, Health, Tribal Welfare, etc.); Culture and Information; Natural Resources Management including Environment (green side); Energy and Environment (brown side); Communication Systems and Connectivity Infrastructure; Public Finance and Finance Management; Industry and Trade; Domestic Affairs and Defence; Housing and Urban Affairs; Personnel and General Administration. However, an alternative would be to use the 15 ministries suggested in Annex 4 as possible domains.

leadership.** An alternative is to scale up the recruitment of lateral entrants for several positions where specialized skills are needed. The challenge with lateral entrants is that they may know the domain but may not be familiar with government processes and norms. This is easy to correct with a short induction training of about 1-2 months.

4.2. Top positions need to have true leaders and visionaries. Promoting solely based on seniority risks placing non-leaders at the top. Effective leaders take risks, and in a system where mistakes are penalized—only mediocre and safe players advance. India's development goals need risk-takers, innovators, and problem-solvers, not file pushers. Accordingly, it is recommended that appointments to senior positions be made by selection from a wider pool of officers and not be limited by seniority alone. For this purpose, it will be good to complete the empanelment exercise for a certain batch of officers once they complete the minimum years of service and not wait till previous batches are fully placed. For example, empanelment for becoming a secretary to Govt of India could be taken up for batches that complete 25 years, regardless of whether the earlier batches have been fully placed. This will help create a larger pool of officers from which a secretary to a particular department could be chosen based on suitability and not seniority. Such a process will allow a more suitable candidate to be selected and give such a candidate a longer tenure for delivering meaningful outcomes.*** Those not selected over time will be compelled to explore the many other opportunities outside the government these days.

Strengthen institutional mechanisms for integrated visioning, oversight and implementation

What is it?

Integrated visioning is the process of crafting a national aspiration that is cohesive, forward-looking, and transcends individual sectors. It is a shared vision for the future and involves systematic observation and analysis of emerging trends and signals. Such a vision is a very broad and aspirational statement. It needs to be translated into a comprehensive road map that outlines specific actions to be taken. It also requires an allocation of roles and responsibilities to different agencies within the larger system. For example, the government of India's aspiration to become a \$30 trillion economy by 2047 and achieve net zero carbon emissions by 2070 will require actions across the board by multiple agencies that have to work in a coordinated

** The Surendra Nath Committee had recommended allocating IAS officers into three out of 11 domains at the time of their empanelment as joint secretaries. Our suggestion is to allocate them to only one domain.

*** The Surendra Nath Committee had also made a very similar recommendation.

manner. Without these, the vision will only remain a vision. It is equally important to have an agency that will anchor the entire effort of developing the vision, developing the associated road map, allocating responsibilities, allocating resources, fixing timelines, and monitoring its implementation.

Integrated visioning is not limited to a national vision alone. It could also be for smaller geographies or even specific sectors and subsectors. There could be an integrated vision for a state, a city, a village, a cluster of cities and villages, or even an entire district or block. However, it is important that the regional and sectoral visions align with the national vision. Otherwise, they would serve different purposes and be self-defeating.

Why is it important?

Large systems have many closely linked subsystems. Each of these subsystems contributes to the larger system's performance. For example, food systems will perform better only if farm inputs, irrigation, transport, energy, warehousing, food processing, and several other subsystems come together to contribute to higher food availability. If food is produced but cannot be transported to markets, it will be lost. It will again be lost if transported but cannot be stored safely or processed. Similarly, at a larger national level, enabling economic growth requires multiple large ecosystems to come together. Energy systems, transport systems, manufacturing infrastructure, governance systems, safety and security systems, skill development systems, urban systems, and many others must be well aligned for the economy to grow. An integrated vision allows every subsystem to perform towards the larger goal. A national vision must be integrated across all sectors, sub-sectors, and geographies. An integrated vision also allows national leaders to assign targets and goals to each subsystem in a manner that will help achieve the larger goal.

What is the barrier?

First, as stated earlier, the central government has an unduly large number of ministries, yet there is really no institutional mechanism for effectively coordinating development actions across these ministries and departments. Identifying and empowering some institutions to do this is important or setting up a new one is important.

Second, the fact that Ministries and departments, which are primarily the policymaking and planning agencies, get drawn quite deeply into the details of operational matters limits the time they can devote to good policymaking and planning.

Third, the relatively short tenures of senior officers, especially at the highest levels, limit their motivation to take a longer-term view of matters. They are

often concerned about their impending retirement and how they will spend their time thereafter.

International examples

Good international examples of agencies that undertake integrated visioning and planning and are mandated to oversee their implementation exist in China, Malaysia, Indonesia, and the US, amongst others. We look at these four examples in some detail.

1. The National Development and Reform Commission (NDRC) in **China** is one good example.⁶² It is a central institution responsible for socioeconomic development in China. It formulates five-year plans and coordinates regional development. It reports to the State Council (somewhat equivalent to the Cabinet in India) and works closely with the Communist Party of China's Central Committee. The NDRC wields significant authority over economic decision-making, managing macroeconomic policies, infrastructure projects, and economic restructuring. It also coordinates with ministries and regional governments to ensure policies are properly executed.

The NDRC is headed by a chairperson, typically a high-ranking official appointed by the State Council of China. The Chairperson is often a senior party member of the Communist Party of China (CPC), reflecting the political significance of the institution. It operates under the authority of China's central laws regarding economic planning and development. It draws its authority from its mandate to implement the Five-Year Plans and laws related to economic regulation, public investment, and infrastructure development. The NDRC employs senior government officials, economists, and sectoral experts tasked with planning and policy formulation. Most staff are civil servants with experience in economics, public policy, and social planning. High-ranking officials, including the Chairperson, are appointed by the State Council based on the recommendations from the Chinese Communist Party (CPC). Mid-level officials and technical staff are recruited from China's civil service exams or by promotion from within the government's various economic and planning departments.

2. The **Malaysian** Economic Planning Unit (EPU) is another good example.⁶³ It is housed within the Prime Minister's Department, making it a key institution in Malaysia's development planning. It formulates national development plans, sets economic priorities, and coordinates the implementation of these plans across ministries.

Given its placement within the Prime Minister's Department, the EPU is directly answerable to the Prime Minister. It exercises authority by

allocating resources and monitoring the progress of development goals. Its close positioning within the executive branch enables it to have a considerable influence on national policies and development plans. It also works with various ministries to ensure smooth coordination across sectors.

The EPU is headed by a minister in the Prime Minister's Department, often designated as the Minister for Economic Affairs. The EPU operates under laws enacted by the Malaysian Parliament that govern national economic planning, including formulating national plans. The EPU's authority is rooted in Malaysia's Constitution, which grants executive powers to the Prime Minister.

The EPU staff consists of policy analysts, economists, and planners, many of whom specialize in development economics, finance, and statistics. Some senior civil servants oversee inter-ministerial coordination. Senior positions, like the Minister or Director-General, are appointed by the Prime Minister. Other staff, including economists and analysts, are recruited through Malaysia's Public Service Commission and are often highly educated professionals with backgrounds in economics, finance, and policy studies.

3. Bappenas, or the National Development Planning Agency in **Indonesia**, is another good example.⁶⁴ It was established under Presidential Decree No. 5 of 1963, giving it a legal mandate to plan and coordinate Indonesia's long-term economic and development strategies. It operates under the framework of Indonesia's Constitution and the National Medium-Term Development Plan (RPJMN). It oversees strategic projects, budget allocation, and coordination of foreign aid.

Bappenas works closely with the Ministry of Finance to evaluate ministerial budget proposals and align financial resources with development priorities. It is ultimately answerable to the President of Indonesia. It coordinates across ministries to ensure that national development strategies are executed effectively. It serves as a central agency for interministerial collaboration, influencing how different sectors align with the nation's overall development goals.

Bappenas is headed by a Minister for National Development Planning, a member of the President's Cabinet. This ensures that Bappenas is tightly integrated with Indonesia's executive branch. It is staffed by senior planners, economists, and technocrats. It also has a significant team that coordinates foreign aid and development cooperation. The institution attracts highly qualified individuals in public finance, development planning, and economics. Senior officials are typically promoted

from within the government or recruited based on their expertise in development planning. Technical staff often come through civil service examinations or from Indonesia's academic institutions specializing in public policy and economics.

4. The Council of Economic Advisers (CEA) in the **US** is yet another example.⁶⁵ The CEA advises the US President on economic policy and long-term planning, providing expert analysis and recommendations to shape economic policy. It was established by the Employment Act of 1946, giving it a formal legal mandate to advise the President on economic matters. It operates under US federal law and plays an advisory role within the executive branch.

The CEA reports directly to the President of the United States. However, unlike other institutions like China's NDRC or Malaysia's EPU, it does not have direct authority over policy implementation. The CEA's authority is largely advisory, focusing on providing analysis rather than implementing policies. Its recommendations influence decision-making at the highest level but do not directly engage with ministries in executing these policies.

The chairperson of the CEA is a senior economist appointed by the President of the United States. The Chairperson is often a well-established academic or policy expert with significant experience in macroeconomics or public policy. Two additional members are also appointed by the President. The staff typically includes economists, research assistants, and policy analysts with advanced degrees in economics or related fields. These professionals provide technical analysis and policy recommendations.

Lessons and recommendations for India

The responsibility for developing an integrated vision and orchestrating its implementation needs to be entrusted to some agency. To be effective, such an agency must have some kind of oversight across all government agencies and yet not be an integral part of any of them. It should have some kind of decision-making authority to override resistance from any sector and yet have the ability to work in close consultation with all sectors and all stakeholders. It should have credibility, government legitimacy, resources, and respect to lead this process. Single-sector ministries of the Government would not be appropriate in most cases, especially when multiple sectors are involved. Such an agency must be positioned at a higher level than individual ministries and departments but below the Prime Minister and the Cabinet. Ideally, it should function either under the Prime Minister's office, as in Malaysia, Indonesia, and the US, or under the Cabinet, like in China.

There appear to be two possibilities for establishing such an institution in India. One would be to set up an entirely new agency, and the second would be to designate an existing agency to undertake this task. A new entity can come in with a new work culture without being saddled with old baggage. It can bring in refreshing changes. However, setting up a new entity would be time-consuming, not just in setting it up but also in making it fully functional. Finding the manpower, office space, etc., can take several years. Given that 2047 is not very far away, we cannot afford to waste time. As against this, using an existing entity could mean dealing with some old baggage in terms of its existing work culture and staffing. Yet, it will be faster to get it off the ground.

Amongst existing institutions, the Cabinet Secretariat, the Prime Minister's office, or NITI Aayog are possibilities. The Cabinet Secretariat, being the secretariat to the Cabinet, has multiple responsibilities towards the day-to-day management of the country. Often, dealing with emergencies takes up much of its time, as happened during the COVID-19 pandemic. The Prime Minister's Office also has several tasks in managing the entire workload of the prime minister. Both may struggle to spend quality time on the analytics required for visioning and planning. Besides, they are both old institutions and already have a way of functioning, which may be difficult to change.

Fortunately, the NITI Aayog is not a very old institution, and its working culture is still evolving. A large share of its manpower comprises professionals and highly qualified staff. At senior levels, it has "Members" who are well respected and accomplished in their respective fields. Hence, it would not be difficult to mould its work culture and staffing to fit the needs of an overarching development planning and implementation oversight agency in India. Moreover, the NITI Aayog is already headed by the Prime Minister and thus has some inherent strengths built in. It is also well-placed to engage with various stakeholders without the burden of day-to-day management of the country.

Therefore, it would be best to strengthen the NITI Aayog to lead the effort by way of developing the pathway towards Viksit Bharat and overseeing its implementation. More specifically, the following actions are recommended for strengthening the NITI Aayog:

1. Enact suitable legislation to give it the statutory authority it needs to enforce the implementation of its recommendations
2. Till such time as legislation is passed, an executive order from the Cabinet Secretariat will be the support needed to get it started immediately
3. It should have the authority to allocate budgetary resources to different agencies or direct allocations based on its recommendations.

4. Strengthen its political leadership by having a well-respected political leader who works under the Prime Minister be a part of it full-time. Mr Jaswant Singh and Mr K.C.Pant were eminent and well-respected political leaders who have been heads of the erstwhile Planning Commission and were able to lend their political weight to the functioning of the institution. The Prime Minister should remain its chairman, but another political leader should be included with a full-time responsibility.
5. It should have field offices in all states which can interface between the state government and the NITI Aayog for better coordination with the States
6. Working in the NITI Aayog should be a matter of pride, and ways have to be found to make it so. This could be done by having a special selection process for working in such an organization and a higher level of compensation could be offered to attract the best talent.

Strengthen economic development focus in the current systems of urban planning

Importance of urban areas

As stated earlier, due to time and resource constraints, we focused our analysis only on a few important issues relating to the administrative structure and systems at the national government level. However, given the criticality of cities in achieving the Viksit Bharat goals, we decided to also look a little more deeply at the systems for planning and managing our cities.

The criticality of cities in realizing developmental goals emerges from the fact that they typically account for a higher share of a nation's GDP than its share of its population. New York, with only 3% of the US population, accounts for 8% of its GDP, and London, with 16% of the UK's population, accounts for 23% of its GDP. Similarly, Mumbai with only 2% of India's population accounts for 4% of its GDP.⁶⁶ This shows that most of the projected growth from \$3 trillion to \$30 trillion will happen in cities. Cities have to accommodate this growth and, in fact, actively enable it.

In addition, India has committed to achieving net zero GHG (Greenhouse Gas) emissions by 2070. Cities are where most of the emissions growth will take place, and so they are equally critical for meeting our net-zero commitments. Besides, creating jobs for our young population is fundamental to leveraging our demographic dividend. Again, cities are where most of these jobs can be created.

Vibrant cities will, therefore, be at the core of the growth we seek. Therefore, cities will have to be planned and managed much more strategically than today.

Historical

The constitution of India, as originally framed, allocated the government business across the central and state governments. There was no formal allocation to the third tier of government, namely the urban and rural governments. The 74th amendment to the constitution, which was passed in 1992, corrected this and recognized urban and rural local bodies under the constitution. It also recommended 18 functions to be delegated by the state government to the urban local bodies. Unfortunately, this was only a recommendation and not a mandatory requirement. As a result, most state governments have not delegated these functions, and urban areas remain weak and toothless. The state-level bodies carry out many of the functions that should be undertaken at the local level. Elected functionaries at the city level are weak and have limited resources and authority. To some extent, Maharashtra and Gujarat have been exceptions, where there is more authority with the municipal bodies than in the other states.

The OSR of cities is only enough to meet a small share of their needs, and therefore, they have to depend on transfers from the central and state governments to meet most of their basic needs. The quantum of such transfers, on a year-to-year basis, is uncertain, thereby limiting the ability of the city leadership to undertake long-term investment planning. Service delivery also suffers as the revenues collected do not cover even operating costs for providing the services. Often, this is due to gross inefficiency in providing services.

The current planning systems are also outdated. Planning systems evolved after 1864 following a series of epidemics based on the recommendations of a “Sanitary Commission” set up in Bengal, Madras, and Bombay to provide advice on public health and sanitation matters. The Bombay Town Planning Act of 1915 was India’s first town-planning legislation. This was followed by similar Acts in UP (1919), Madras (1920), Punjab (1922), Nagpur (1936), Bangalore (1945) and Kanpur (1945).⁶⁷ Following independence, a model Town Planning Act was developed by the Institution of Town Planners in 1957 and several States enacted their own planning Acts based on this model. Thus, India’s planning legislation is over 50 years old and not aligned with our needs for economically vibrant cities.

Gaps in current planning systems

The current master plans, which cities are required to prepare, with a 20-year time horizon, are primarily land use plans with no economic basis. They may be suitable for cities that have stopped growing. They are not suitable for India’s needs today. The fact that a quarter of our cities live in slums, mountains of solid waste are visible on the outskirts of most cities, water supply systems are inadequate, public transport systems are poor, housing prices are very high, and there has been an unprecedented growth in the number of census towns—are all evidence of our very poor planning systems. The primary weakness is that it does not consider a city’s economic ambitions and the growth in demand that will arise from the same. This needs to change, and a sound identification of economic drivers and an understanding of the scale of economic ambitions should form the basis for our urban planning.

Further, the current planning methods confine themselves to the administrative boundaries of the cities. However, cities have a close linkage with the rural hinterland and smaller cities that fall within a region, namely a wider geographical area. This interdependency cannot be ignored in the planning process. Therefore, the planning has to go beyond the dotted lines that signify the city’s administrative boundary and extend to a much wider economically interlinked region. This region should encompass several smaller urban areas in the region as well as the intervening rural and peri-urban areas. Therefore, a regional development plan will be more useful.

The current planning process does not look at sustainability in using natural resources, which is becoming increasingly important in the wake of global climate change concerns. It does not consider a city’s vulnerability to natural and climate-induced disasters. It also does not look at critical services like transport, energy, healthcare, education, recreation, etc. Nor does it look at managing financial resources, without which no amount of physical planning can become meaningful. Apart from this, the delivery of municipal services also needs much greater professionalism than is available today among city managers.

Recent mega programs of the Government, such as the JNNURM and the Smart Cities Mission, required comprehensive City Development Plans (JNNURM) and Smart City Plans (Smart Cities Mission) to be prepared as an essential requirement for receiving funds from the Govt of India. In most cases, these documents turned out to be a compilation of the physical infrastructure needs as articulated by local leaders. They were not grounded in a long-term economic vision. A good quality economic visioning exercise was not carried out in most cases.

All of these show the importance of paying much more attention to cities if the development ambitions are to be achieved.

Actions needed to bridge the gap

If cities are to play a meaningful role in driving India towards a \$30 trillion economy, the following actions are strongly recommended:

1. Develop regional economic development plans
 - 1.1. A system of formulating 20-year or longer regional economic development plans for clusters of city regions should be instituted. This would help identify potential growth drivers for the region and determine the physical facilities that will be needed for each city within the cluster and in the intervening region. This should form the basis for investment planning in the region and for master planning of the cities in that region. In this context, the announcement relating to growth hubs in the last budget presented by the finance minister is a step in the right direction. Furthermore, a good beginning has been made with the NITI Aayog taking the lead in developing regional plans for the Mumbai and Surat regions, which have since been launched. Such initiatives need to be scaled up. For this purpose, states will have to set up specific departments, or regional authorities, to take responsibility for regional economic planning and, thereafter, coordinate and oversee implementation.
 - 1.2. Appropriate budgets should be allocated to such region-specific departments or Authorities and not to the sector departments to avoid conflict of expectations and priorities.

Some regions may straddle multiple states and have to report to the central government in such cases. One example is the National Capital Region Planning Board, whose mandate must expand to focus primarily on economic development planning. Another example is the North-Eastern Council, which needs considerable strengthening to become more effective. In this context, it will be useful to note that China has plans to develop 19 city clusters and look at joint planning for each cluster.⁶⁸

2. Training and Capacity Building

Given the importance of cities, ensuring they have competent manpower will be critical. Capacity building will have to be taken up along two dimensions:

- Comprehensive planning for cities and city regions based on an economic vision and flowing therefrom towards infrastructure planning, natural resource planning, financial planning, and land use planning.
 - Management of services to ensure that urban services are delivered professionally and efficiently.
- 2.1. Towards this end, designing and systematically delivering a capacity-building program across all 7000-plus urban areas in India will be necessary. The funds required for this are not very high, but the benefits that can accrue will be extremely high.
 - 2.2. As part of the capacity-building efforts, it will also be important to create a special cadre of officers in all states. Such officers can be categorized into planning officers and urban management officers. Most of their careers need to be spent in the urban sector. Some of them could also be taken into the central government Ministry of Housing and Urban Affairs and the state urban development departments.
 - 2.3. A systematic review of the academic curricula of urban planning schools will be essential to ensure that the country has a pool of appropriately educated personnel. This curriculum must go beyond the current outdated urban planning systems and educate students to meet the needs of the years ahead. Urban economics, statistics, and data analysis will be very important components of such an educational program.
 - 2.4. Another important dimension of the capacity-building effort will be creating and regularly updating a sound urban database. This will enable more systematic, data-based, informed decision-making rather than highly subjective, perception-based decision-making.
 - 2.5. A research program should also be set up to enable contextual research to be taken up in the country so that our policies and plans are not based entirely on the learnings from research carried out in other contexts and not relevant to the Indian context.
 - 2.6. A national conference should become an annual feature to allow different cities to showcase their best practices for others to learn from. Such a conference will present new insights based on research and provide an opportunity for peer-to-peer learning.

Summary of Recommendations

The current administrative system needs considerable reform if the country has to move on a rapid growth path. The suggestions made in this report have been summarized in the sections below.

1. Strengthening internal collaboration

- 1.1. Reduce the number of ministries to 15 – 20 to improve policymaking and coordination of planning. Annex 4 provides a suggested list of 15 ministries. Passing legislation that lists ministries and defines their responsibilities is advised to prevent changes caused by coalition governments' compulsions.
- 1.2. Establish high-level, outcome-based standing committees to integrate policymaking toward desired outcomes. Examples would be standing committees for food systems, economic development, climate change, etc. These committees should bring together the relevant ministries but also include several well-recognized external experts to ensure the availability of sound advice for the committee.
- 1.3. Separate policymaking from implementation and limit the role of ministries to undertaking policymaking and planning. Multiple implementation arms can be created under the ministries to implement the policies and plans developed by the ministries. Policymaking needs greater integration across subsectors, whereas execution needs a deeper knowledge of technical issues related to the subsector. Such separation will permit quality time to be available for policy making. While senior cabinet ministers and senior-level secretaries can head the ministries, relatively junior ministers and secretaries could head the implementation agencies.

2. Strengthening collaboration with external stakeholders

- 2.1. Establish professional exchange programs for civil servants and experts from academia, industry, and think tanks. By going on deputation for a few years to industry, academia, and think tanks, officers will gain knowledge and skills that would be difficult to acquire within the government. Likewise, drawing in industry experts

for a time can help align policymaking with emerging market trends and governance with innovation and new technologies.

- 2.2. Engage more external experts in high-level committees and cross-sectoral platforms. Leverage NITI Aayog to coordinate and maintain a talent pool of external experts for collaboration.
- 2.3. To enhance efficiency, scale up Public-Private Partnerships (PPPs) in education, healthcare, and several other public services.
- 2.4. Boost Social Impact Partnerships by encouraging initiatives in underserved regions and collaborating with NGOs and private sector resources to achieve education and healthcare outcomes.
- 2.5. Form platforms for multi-stakeholder collaboration involving government agencies, environmental NGOs, academic researchers, and local communities to address environmental, public health, and urban planning issues.

3. Strengthening innovation and risk-taking

- 3.1. Establish Policy Innovation Hubs that become sites for prototyping and testing policy solutions, leveraging technology for governance, and deepening community engagement. These could also become ideal sites for government-industry-wide joint research initiatives and skill development.
- 3.2. Scale up the “challenge” methodology to encourage finding innovative solutions from all sections of society to tackle public issues. Opening up the scope of solving public sector problems with private sector solutions is a step that will encourage and invite multi-disciplinary organizations and ingenuity among individuals—new problems will need new solutions rather than sticking around with old formulas.
- 3.3. Reform legal frameworks to encourage experimentation and pilot programs within the public sector. This should also protect officials from hasty action, thus ensuring greater confidence in bold decision-making.
- 3.4. By law, investigating agencies should not be allowed to start an investigation against any government official without specific approval to proceed. Such approval should be given only after making quick enquiries about an officer's reputation or under specific circumstances where wrongdoing has been established on an a priori basis.

- 3.5. Investigations, once taken up, should be completed within a specific time period of no more than 6 months.
- 3.6. All the rules and procedures relating to the procurement of goods and services or allocation of public resources should contain a specific provision that deviations from the procedure laid down are possible, but the reasons for making the deviations should be recorded clearly.
- 3.7. Establish specialized units in the government to either undertake procurement or oversee the entire procurement process and provide guidance on the procedure, similar to similar systems in the World Bank and most UN organizations.
- 3.8. Deter frivolous complaints by taking visible action against such complainants. Promotions and career progression should not be held up merely because of ongoing investigations. Promotions may be given on a provisional basis and withdrawn if the investigation reveals mala fide intent.

Competent staffing

- 3.9. The recruitment cycle for higher civil services should be drastically shortened to no more than 3 months. A shortlist of candidates, which is three times the number of vacancies, can be initially selected and required to undergo a 3-month training program. Performance during the training can be used to make the final selection. This will reduce the recruitment cycle and enable a much better evaluation of the candidates. In addition, this will create a larger pool of candidates who are eligible for other deployment opportunities within the government.
- 3.10. A much higher level of domain knowledge should be ensured for senior-level positions in central government ministries by assigning officers to a specific domain at the time of their empanelment as Joint Secretaries. This can be done based on an officer's application justifying allocation in a specific domain.
- 3.11. Empanelling officers as secretaries without waiting for previous batches to be fully placed should ensure longer terms and higher competence at senior levels. This would enable a larger pool of empaneled officers to be available for selection to specific posts.
- 3.12. Development ministries need to review their current staffing patterns and recruit those with much better analytical capability and technical competence relevant to those ministries.

- 3.13. Efforts to build one's capacities through self-learning and development should be rewarded rather than viewed negatively, as they are now. In fact, this should be given due weightage in determining an officer's career progression.

Performance assessment

- 3.14. Performance assessment systems need to be reviewed. Presently, the systems focus on finding faults and do not appreciate risk-taking behavior or good performance. Performance reviews should be used to guide improved performance and motivate staff.
- 3.15. A cascaded system of outcomes that flow from national goals is necessary. Such outcome targets should be set for each cluster and each agency within the cluster, further flowing down to each officer. Responsibility for achieving these outcome targets should be fixed, and performance should be evaluated based on how well they have been achieved.

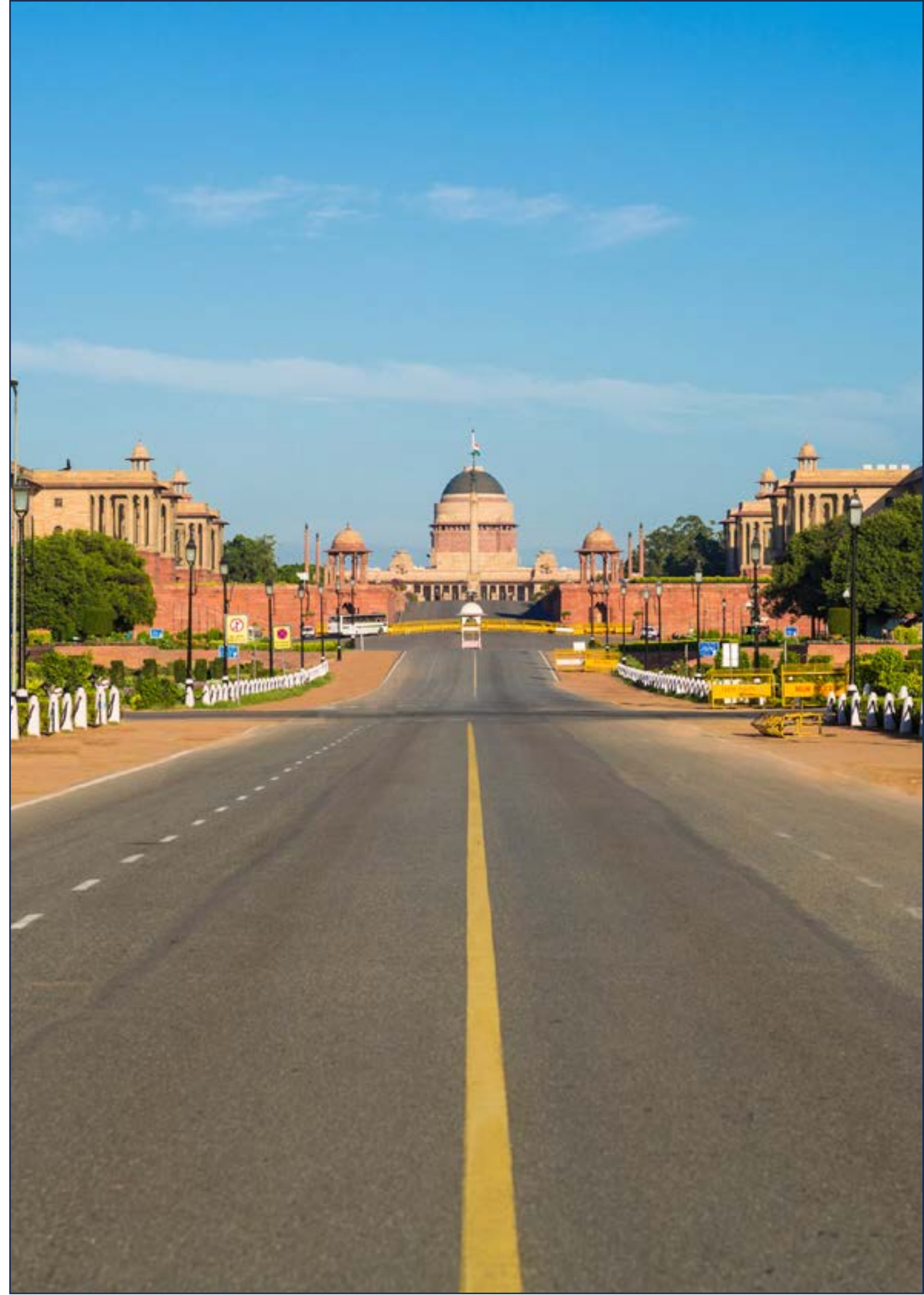
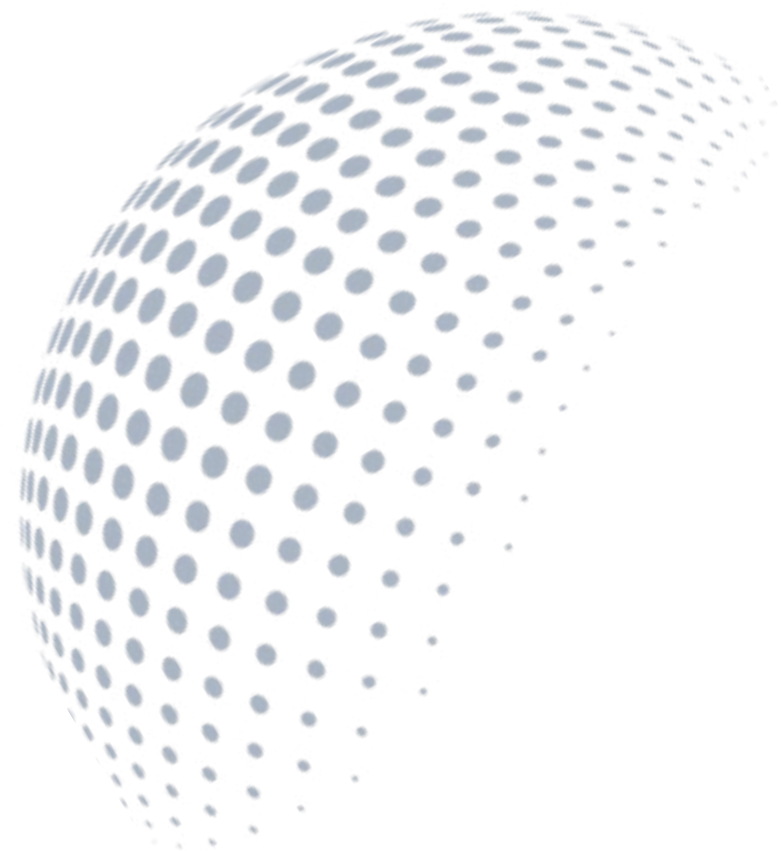
4. Enabling integrated visioning

- 4.1. A dedicated agency should be established to enable integrated visioning, planning, and coordination of implementation. Ideally, it should function under the President/Prime Minister's office, as in Malaysia, Indonesia, and the US, or under the Cabinet, like in China.
- 4.2. NITI Aayog could be designated as the institution responsible for this as it is a relatively new institution with an evolving work culture and accomplished senior leadership. However, to perform this function at full capacity, it should be positioned above ministries but below the Prime Minister. It must also be adequately strengthened with adequate staff, resources, and field offices.

5. Strengthen economic development focus in the current systems of urban planning

- 5.1. Identify potential growth drivers and develop 20-year, or longer, regional economic development plan for clusters of city regions. This should form the basis for infrastructure investment planning in the region and for master planning of the cities in that region. For this purpose, states will have to set up specific departments, or regional authorities, to take responsibility for regional economic planning and, thereafter, coordinate and oversee implementation.

- 5.2. Appropriate budgets should be allocated to region-specific departments or authorities rather than sector departments to avoid conflicting expectations and priorities.
- 5.3. Current laws relating to urban planning should be reviewed and modified to enable planning that emphasizes economic development.
- 5.4. Implement a systematic and scientifically designed training and capacity-building program across all 7000-plus urban areas in India. The emphasis should be on building capacity for planning with an economic development focus and more professional delivery of basic services in cities.
- 5.5. The capacity-building effort should include establishing a sound database, a contextual research program, and an annual conference to facilitate peer-to-peer learning.
- 5.6. Modernise the educational curriculum for urban planners to create a qualified workforce capable of moving from mere land use planin to planning with an economic development focus. This will also have to be accompanied by appropriate faculty development programs to replace old mindsets with more modern needs.



Way forward

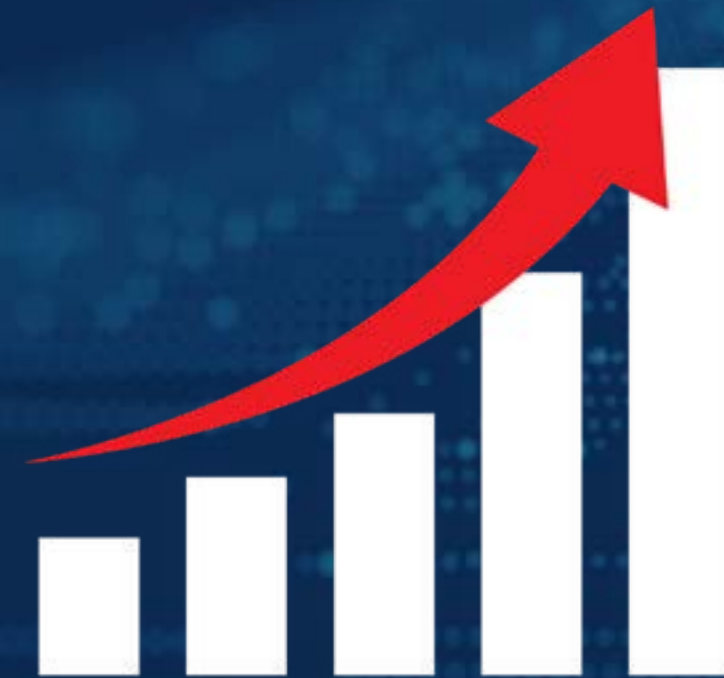
Several recommendations have been made in this report, and it will be difficult to implement them simultaneously. A phased approach comprising some items to be taken up within one year, some within three years, and others within 5 - 7 years may become necessary. Some of the items may require greater political buy-in and the development of more intricate implementation plans. Some of the recommendations may require considerable financial resources, whereas others may be relatively low-cost.

Actions that are possible in less than a year would be those relating to setting up high-level standing committees that would design road maps for certain desired outcomes and oversee their implementation. A review of the current laws and practices relating to urban planning, as well as a review of the curriculum of the planning/management schools, are activities that can be considered short-term and started within a year. The practice of empaneling officers for a domain while being impounded for Joint Secretaries can also be taken up in the short term. Identifying regional clusters of cities for which regional economic development plans should be prepared can also be done within a year. However, the actual studies may take up to three years to complete.



Medium-term actions that may require a little more than one year would be those relating to the reorganization of ministries and reducing the number, strengthening the NITI Aayog to take on the role of integrated visioning planning and oversight of implementation. Introducing well-designed capacity-building programs for all the towns and cities in the country and also for the political leadership and the lower level functionaries in the central government could be started within a year, though the actual design of the programs may take a little longer to execute. Delivery of these programs could start in the medium term and would be a continuing activity for several years.

It is further recommended that a high-level implementation team be set up to identify the recommendations to be taken up in the short term and medium term and develop a road map for this. This implementation team should not be housed in any ministry but should be a part of the Prime Minister's Office. Their mandate should be to get the reforms carried out. In this context, it will be relevant to point out that the President-elect of the United States of America, Donald Trump, has set up a Department for Government Efficiency (DOGE) under the leadership of none other than Elon Musk and Vivek Ramaswamy,⁶⁹ both of whom will enjoy tremendous political influence and power in the upcoming government. Implementing the reforms suggested in this report will need a strong will, very high-level authorization, and an external team to orchestrate and direct the changes.



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Annex – 1

List of speakers at panel discussions and fire-side chat

Government and Public Sector (Includes Retired Government Officials and Public Policy Roles)

1. Arvind Bellad, Member Legislative Assembly of Karnataka
2. Amita Singh | President, NDRG (Asia Pacific Disaster Research Group), Senior Fellow, Institute of Social Sciences
3. Anshu Bharadwaj | Program Director, Green Transition & Climate, NITI Aayog
4. Arti Ahuja, IAS | Additional Secretary - Health, Ministry of Health and Family Welfare
5. Arvind Chandrakant Bellad | Member of Legislative Assembly, Karnataka
6. Aparna Subramani, IAS (Retd) | Former Secretary, Department of Pharmaceuticals, Government of India
7. Bimal Julka, IAS (Retd) | Chief Information Commissioner, Government of India
8. BVR Subramanyam, IAS | CEO, NITI Aayog
9. Dr. Rajan Katoch, IAS (Retd) | Former Secretary, Heavy Industry, Government of India
10. K.R. Jyotilal, IAS | Additional Chief Secretary, Department of Energy, Government of Kerala
11. Nitin Kareer, IAS (Retd) | Former Chief Secretary, Government of Maharashtra
12. Pawan Agarwal, IAS (Retd) | Founder and CEO, Food Future Foundation, India
13. Prachi Sharma | Policy Consultant, NITI Aayog
14. Sanjiv Sahai, IAS (Retd) | Former Secretary, Ministry of Power, Government of India, Director General, Power Foundation of India
15. Rajiv Dutt | Ex-Managing Director, Indian Railway Finance Corporation, Senior Fellow, ISPP

16. Sharmila Chavaly, IRAS (Retd) | Former Principal Financial Advisor, Indian Railways
17. Anup Wadhawan, IAS (Retd) | Former Commerce Secretary, Government of India
18. Dr. Sekhar Bonu, IAS (Retd) | Senior Fellow, NITI Aayog

Non-Profit and Research Institutions (Includes Think Tanks, NGOs, Academic Institutions)

1. Aishwarya Raman | Executive Director, OMI Foundation (Ola Mobility Institute)
2. B Venkatesh Kumar | Professor, Tata Institute of Social Sciences (TISS), Mumbai
3. Bharath Jairaj | Executive Director, Energy, WRI India
4. Harsh Shrivastava | Senior Advisor, Granton Thompson, Former CEO, Microfinance Institutions Network (MFIN)
5. Jaya Dhindaw | Executive Program Director, Sustainable Cities & Director, WRI India Ross Center
6. Madhav Pai | CEO, WRI India
7. Naim Keruwala | Program Director, CITIIS, National Institute of Urban Affairs, India
8. Shivanand H.M. Swamy | Director Emeritus, CoE-UT, CEPT Research and Development Foundation, CEPT University
9. Srikanth Viswanathan | CEO, Janaagraha
10. Vivek Srivastava | Former Lead Specialist, Governance Practice, World Bank
11. Sudip Dutta | Partner and Leader, Urban Sector, GPS - EY
12. Pritika Hingorani | CEO, Artha India
13. Shilpa Kumar | Partner, Omidyar
14. Santosh Mathew | Country Lead Public Policy and Finance, Bill & Melinda Gates Foundation
15. G. Raghuram | Former Director, IIM Bangalore; Professor Emeritus, Gujarat Maritime University and Chanakya University

Private Sector and Consulting Firms (Includes Corporate and Advisory Roles)

1. Jamshyd Godrej | Managing Director, Godrej & Boyce
2. Ravi Pandit | Chairman & Co-Founder, KPIT Technologies Ltd
3. RK Misra | Co-Founder, Yulu Bikes
4. Ajay Khanna | Co-Founder, PAFI, and Group Strategic Advisor & Global Ombudsperson, Jubilant Bhartia Group
5. Dilip Chenoy | Chairman, Bharat Web3 Association
6. Hitesh Vaidya | Kerala Urban Planning Commission, Board Member, Global Building Performance Network (GBPN)
7. Mahua Acharya | ex-Managing Director & CEO, Convergence Energy Services Ltd. (CESL)
8. Narayan Ramaswamy | National Leader - Education and Skill Development, Government and Public Services, KPMG in India
9. Nitin Atrolley | Partner and Head – People, Strategy & Corporate Affairs, KPMG in India

Media and Other Prominent Individuals

1. Shantanu Nandan Sharma | Senior Editor and Feature Writer, The Economic Times

Annex - 2

List of Ministries and Departments of Govt of India

As on 25-09-2024

Sources: Integrated Government Online Directory, National Portal of India

Sl. No.	Ministries (53)	Departments (48 and 2 Independent departments)
1	Ministry of AYUSH	
2	Ministry of Agriculture and Farmers Welfare	Department of Agricultural Research and Education Department of Agriculture and Farmers Welfare
3	Ministry of Chemicals and Fertilizers	Department of Chemicals and Petrochemicals Department of Fertilizers Department of Pharmaceuticals
4	Ministry of Civil Aviation	
5	Ministry of Coal	
6	Ministry of Commerce and Industry	Department for Promotion of Industry and Internal Trade Department of Commerce
7	Ministry of Communications	Department of Posts Department of Telecommunications
8	Ministry of Consumer Affairs, Food and Public Distribution	Department of Consumer Affairs Department of Food and Public Distribution
9	Ministry of Cooperation	
10	Ministry of Corporate Affairs	
11	Ministry of Culture	

12	Ministry of Defence	Department of Defence (DOD) Department of Defence Production Department of Ex-Servicemen Welfare Department of Defence Research and Development Department of Military Affairs
13	Ministry of Development of North Eastern Region	
14	Ministry of Earth Sciences	
15	Ministry of Education	Department of Higher Education Department of School Education and Literacy
16	Ministry of Electronics and Information Technology	
17	Ministry of Environment, Forest, and Climate Change	
18	Ministry of External Affairs	
19	Ministry of Finance	Department of Economic Affairs Department of Expenditure Department of Financial Services Department of Investment and Public Asset Management Department of Public Enterprises Department of Revenue
20	Ministry of Fisheries, Animal Husbandry and Dairying	Department of Animal Husbandry and Dairying Department of Fisheries
21	Ministry of Food Processing Industries	
22	Ministry of Health and Family Welfare	Department of Health Research Department of Health and Family Welfare
23	Ministry of Heavy Industries	
24	Ministry of Home Affairs	Department of Border Management Department of Home Department of Official Language

25	Ministry of Housing and Urban Affairs	
26	Ministry of Information and Broadcasting	
27	Ministry of Jal Shakti	Department of Drinking Water and Sanitation Department of Water Resources, River Development and Ganga Rejuvenation
28	Ministry of Labour and Employment	
29	Ministry of Law and Justice	Department of Justice Department of Legal Affairs Legislative Department
30	Ministry of Micro, Small & Medium Enterprises	
31	Ministry of Mines	
32	Ministry of Minority Affairs	
33	Ministry of New and Renewable Energy	
34	Ministry of Panchayati Raj	
35	Ministry of Parliamentary Affairs	
36	Ministry of Personnel, Public Grievances and Pensions	Department of Administrative Reforms and Public Grievances (DARPG) Department of Pension & Pensioner's Welfare Department of Personnel and Training
37	Ministry of Petroleum and Natural Gas	
38	Ministry of Planning	
39	Ministry of Ports, Shipping and Waterways	

40	Ministry of Power	
41	Ministry of Railways	
42	Ministry of Road Transport and Highways	
43	Ministry of Rural Development	Department of Land Resources Department of Rural Development
44	Ministry of Science and Technology	Department of Biotechnology Department of Science and Technology Department of Scientific and Industrial Research
45	Ministry of Skill Development and Entrepreneurship	
46	Ministry of Social Justice and Empowerment	Department of Empowerment of Persons with Disabilities Department of Social Justice and Empowerment
47	Ministry of Statistics and Program Implementation	
48	Ministry of Steel	
49	Ministry of Textiles	
50	Ministry of Tourism	
51	Ministry of Tribal Affairs	
52	Ministry of Women and Child Development	
53	Ministry of Youth Affairs and Sports	Department of Sports Department of Youth Affairs
54	Independent	Department of Atomic Energy
55	Independent	Department of Space

Annex - 3

List of Ministries aList of ministries / departments in select countries

2. United States of America (USA)

Total 15 Executive Departments

Source: Department - Search agencies and departments

S. No.	Departments
1	State
2	Treasury
3	Defence
4	Justice
5	Interior
6	Agriculture
7	Commerce
8	Labor
9	Health and Human Services
10	Housing and Urban Development
11	Transportation
12	Energy
13	Education
14	Veteran Affairs
15	Homeland Security

3. United Kingdom (UK)

Total 24 Key Ministerial Departments:

Source: Departments, agencies and public bodies - GOV.UK

S. No.	Department Name
1	Attorney General's Office
2	Cabinet Office
3	Department for Business and Trade
4	Department for Culture, Media and Sport
5	Department for Education
6	Department for Energy Security and Net Zero
7	Department for Environment, Food and Rural Affairs
8	Department for Science, Innovation and Technology
9	Department for Transport
10	Department for Work and Pensions
11	Department of Health and Social Care
12	Foreign, Commonwealth and Development Office
13	Home Office
14	Ministry of Housing, Communities and Local Government
15	Ministry of Defence
16	Ministry of Justice
17	Northern Ireland Office
18	Office of the Advocate General for Scotland
19	Office of the Leader of the House of Commons
20	Office of the Leader of the House of Lords
21	Scotland Office
22	HM Treasury
23	UK Export Finance
24	Wales Office

4. China

Total 26 Key Ministries and Commissions

Source: List of ministries, commissions of China's cabinet after reform

S. No.	Ministry Name
1	Ministry of Foreign Affairs
2	Ministry of National Defense
3	National Development and Reform Commission
4	Ministry of Education
5	Ministry of Science and Technology
6	Ministry of Industry and Information Technology
7	State Ethnic Affairs Commission
8	Ministry of Public Security
9	Ministry of State Security
10	Ministry of Civil Affairs
11	Ministry of Justice
12	Ministry of Finance
13	Ministry of Human Resources and Social Security
14	Ministry of Natural Resources
15	Ministry of Ecology and Environment
16	Ministry of Housing and Urban-Rural Development
17	Ministry of Transport
18	Ministry of Water Resources
19	Ministry of Agriculture and Rural Affairs
20	Ministry of Commerce
21	Ministry of Culture and Tourism
22	National Health Commission
23	Ministry of Veterans Affairs
24	Ministry of Emergency Management

25	People's Bank of China
26	National Audit Office

5. Canada

Total 38 Key Ministries and Commissions

Source: Cabinet | Prime Minister of Canada

S. No.	Federal Ministries and Departments
1	Agriculture and Agri-Food Canada (AAFC)
2	Canadian Heritage
3	Canadian International Development Agency (CIDA)
4	Canadian Northern Economic Development Agency (CanNor)
5	Canadian Security Intelligence Service (CSIS)
6	Citizenship and Immigration Canada (CIC)
7	Communication Security Establishment (CSE)
8	Employment and Social Development Canada (ESDC)
9	Environment and Climate Change Canada (ECCC)
10	Finance Canada
11	Fisheries and Oceans Canada (DFO)
12	Foreign Affairs, Trade and Development Canada (DFATD)
13	Health Canada
14	Indigenous Services Canada
15	Indigenous Relations and Northern Development Canada
16	Infrastructure Canada
17	Innovation, Science and Industry Canada
18	International Development and La Francophonie

19	National Defence
20	National Revenue
21	Natural Resources Canada (NRCan)
22	Public Health Agency of Canada (PHAC)
23	Public Safety Canada
24	Research and Development Canada
25	Royal Canadian Mounted Police (RCMP)
26	Science and Economic Development Canada
27	Social Development Canada
28	Social Sciences and Humanities Research Council (SSHRC)
29	Statistics Canada
30	Tax Court of Canada
31	Transport Canada
32	Treasury Board of Canada Secretariat
33	Women and Gender Equality Canada
34	Innovation, Science and Industry
35	Natural Resources Canada
36	Environment and Climate Change Canada
37	Federal Economic Development Agency for Southern Ontario
38	Federal Economic Development Initiative for Northern Ontario

6. Germany

Total 15 Key Ministries and Commissions

Source: Federal Ministries Government of Germany

S. No.	Ministries
1	Federal Foreign Office
2	Federal Ministry of the Interior, Building and Community
3	Federal Ministry of Justice and Consumer Protection
4	Federal Ministry of Finance
5	Federal Ministry for Economic Affairs and Energy
6	Federal Ministry of Labour and Social Affairs
7	Federal Ministry of Food and Agriculture
8	Federal Ministry of Defence
9	Federal Ministry for Family Affairs, Senior Citizens, Women and Youth
10	Federal Ministry of Health
11	Federal Ministry of Transport and Digital Infrastructure
12	Federal Ministry for the Environment, Nature Conservation and Nuclear Safety
13	Federal Ministry of Education and Research
14	Federal Ministry for Economic Cooperation and Development
15	Federal Ministry of Digital and Transport

7. France

Total 15 Key Ministries

Source: Departments | info.gov.fr

S. No.	Ministry Name
1	Ministry of Europe and Foreign Affairs
2	Ministry of the Armed Forces
3	Ministry of Ecological Transition
4	Ministry of National Education and Youth
5	Ministry of Economy, Finance and Recovery
6	Ministry of the Interior
7	Ministry of Labor, Employment and Integration
8	Ministry of Justice
9	Ministry of Culture
10	Ministry of Solidarity and Health
11	Ministry of Higher Education, Research and Innovation
12	Ministry of Agriculture and Food
13	Ministry for the Ecological and Inclusive Transition
14	Ministry of Overseas France
15	Ministry of Sports

8. Japan

Total 14 Key Ministries

Source: Links to Ministries | Public Relations Office - Government of Japan

S. No.	Ministry
1	Cabinet Office
2	Ministry of Internal Affairs and Communications
3	Ministry of Justice
4	Ministry of Foreign Affairs
5	Ministry of Finance
6	Ministry of Education, Culture, Sports, Science and Technology
7	Ministry of Health, Labour and Welfare
8	Ministry of Agriculture, Forestry and Fisheries
9	Ministry of Economy, Trade and Industry
10	Ministry of Land, Infrastructure, Transport and Tourism
11	Ministry of the Environment
12	Ministry of Defense
13	Ministry of Reconstruction
14	Digital Agency

9. Australia

Total 15 Departments of State

Source: Ministry list as of 31 May 2023 | PM&C

Sr. No	Department
1	Prime Minister and Cabinet
2	Defence
3	Foreign Affairs and Trade
4	Treasury
5	Finance
6	Employment and Workplace Relations
7	Education
8	Health and Aged Care
9	Climate Change, Energy, Environment and Water
10	Infrastructure, Transport, Regional Development, Communications and the Arts
11	Social Services
12	Attorney-General's
13	Industry, Science and Resources
14	Agriculture, Fisheries and Forestry
15	Home Affairs

Annex - 4

Suggested list of Ministries and mapping of current ministries and departments into them

S. No.	Ministry	Mapping current Ministries and Departments
1	Ministry of Finance	Department of Economic Affairs Department of Expenditure Department of Financial Services Department of Investment and Public Asset Management Department of Public Enterprises Department of Revenue
2	Ministry of National Security	Department of Border Management Department of Home Department of Defence (DOD) Department of Defence Production Department of Ex-Servicemen Welfare Department of Defence Research and Development Department of Military Affairs
3	Ministry of External Affairs	Ministry of External Affairs
4	Ministry of Energy	Ministry of Petroleum and Natural Gas Ministry of Power Ministry of New and Renewable Energy Department of Atomic Energy
5	Ministry of Transport	Ministry of Civil Aviation Ministry of Ports, Shipping and Waterways Ministry of Railways Ministry of Road Transport and Highways
6	Ministry of Agriculture and Rural Development	Ministry of Rural Development Department of Agricultural Research and Education Department of Agriculture and Farmers Welfare Department of Fertilizers Department of Food and Public Distribution Department of Animal Husbandry and Dairying Department of Fisheries Ministry of Food Processing Industries
7	Ministry of Natural Resources	Ministry of Coal Ministry of Mines Ministry of Environment, Forest, and Climate Change Ministry of Jal Shakti
8	Ministry of Human Resource Development	Ministry of Education Ministry of Skill Development and Entrepreneurship Ministry of Youth Affairs and Sports

9	Ministry of Social Development	Ministry of Social Justice and Empowerment Ministry of Labour and Employment Ministry of Tribal Affairs Ministry of Women and Child Development
10	Ministry of Health	Department of Health Research Department of Health and Family Welfare Ministry of AYUSH Department of Pharmaceuticals
11	Ministry of Commerce and Industries	Department for Promotion of Industry and Internal Trade Department of Commerce Department of Chemicals and Petrochemicals Ministry of Heavy Industries Ministry of Micro, Small & Medium Enterprises Ministry of Steel Ministry of Textiles Ministry of Tourism
12	Ministry of Science and Technology	Ministry of Earth Sciences Ministry of Science and Technology Department of Space
13	Ministry of Urban and Regional Development	Ministry of Housing and Urban Affairs Ministry of Development of North Eastern Region Ministry of Panchayati Raj
14	Ministry of Communications	Ministry of Electronics and Information Technology Department of Posts Department of Telecommunications Ministry of Information and Broadcasting
15	Ministry of General Administration	Ministry of Corporate Affairs Ministry of Law and Justice Ministry of Parliamentary Affairs Ministry of Personnel, Public Grievances and Pensions Ministry of Planning Ministry of Statistics and Program Implementation




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