

CHRONICLE

Nurturing Talent Since 1990

2008-2022 **15 YEARS**
SOLVED PAPERS

for Civil Services Examination

Topic-wise Solution of Previous Papers

PUBLIC ADMINISTRATION

IAS Mains Q & A

USEFUL FOR UNION AND STATE PUBLIC SERVICE COMMISSION EXAMINATIONS



2008-2022 | **15 Years Solved**

Topic-wise Solutions of Previous Years' Papers

PUBLIC ADMINISTRATION

IAS Mains Q&A

**Also Useful for All State Public Service Commission
and Other Examinations**

Edited by - N.N. Ojha

Guiding Civil Services Aspirants Since 30 Years

Solved by - Chronicle Editorial Team

CHRONICLE

Nurturing Talent Since 1990

CONTENT

PAPER – I

ADMINISTRATIVE THEORY

- 1. Introduction.....1-23**
Meaning, Scope and Significance of Public Administration; Wilson’s Vision of Public Administration; Evolution of the Discipline and its Present Status; New Public Administration; Public Choice Approach; Challenges of Liberalization, Privatisation, Globalisation; Good Governance; Concept and Application; New Public Management.
- 2. Administrative Thought24-45**
Scientific Management and Scientific Management movement; Classical Theory; Weber’s Bureaucratic Model – its Critique and Post-Weberian Developments; Dynamic Administration (Mary Parker Follett); Human Relations School (Elton Mayo and others); Functions of the Executive (C.I. Barnard); Simon’s Decision-Making Theory; Participative Management (R. Likert, C. Argyris, D. McGregor).
- 3. Administrative Behaviour46-60**
Process and Techniques of Decision-Making; Communication; Morale; Motivation Theories – Content, Process and Contemporary; Theories of Leadership; Traditional and Modern.
- 4. Organisations.....61-71**
Theories – Systems, Contingency; Structure and Forms; Ministries and Departments, Corporations, Companies, Boards and Commissions; Ad hoc and Advisory Bodies; Headquarters and Field Relationships; Regulatory Authorities, Public-Private Partnerships.
- 5. Accountability and Control.....72-92**
Concepts of Accountability and Control; Legislative, Executive and Judicial control over Administration; Citizen and Administration; Role of Media, Interest Groups, Voluntary Organizations; Civil Society; Citizen’s Charters; Right to Information; Social Audit.
- 6. Administrative Law93-100**
Meaning, Scope and Significance; Dicey on Administrative Law; Delegated Legislation; Administrative Tribunals.

7.	Comparative Public Administration	101-112
	Historical and Sociological Factors affecting Administrative Systems; Administration and Politics in Different Countries; Current Status of Comparative Public Administration; Ecology and Administration; Riggsian Models and their Critique.	
8.	Development Dynamics	113-128
	Concept of Development; Changing Profile of Development administration; Anti-Development Thesis; Bureaucracy and Development; Strong State versus the Market Debate; Impact of Liberalisation on Administration in Developing Countries; Women and Development – the Self-help Group Movement.	
9.	Personnel Administration.....	129-147
	Importance of Human Resource Development; Recruitment, Training, Career Advancement, Position Classification, Discipline, Performance Appraisal, Promotion, Pay and Service Conditions; Employer-Employee Relations, Grievance Redressal Mechanism; Code of Conduct; Administrative Ethics.	
10.	Public Policy	148-166
	Models of Policy-Making and their Critique; Processes of Conceptualisation, Planning, Implementation, Monitoring, Evaluation and Review and their Limitations; State Theories and Public Policy Formulation.	
11.	Techniques of Administrative Improvement	167-178
	Organisation and Methods, Work Study and Work Management; E-governance and Information Technology; Management Aid Tools like Network Analysis, MIS, PERT, CPM.	
12.	Financial Administration.....	179-194
	Monetary and Fiscal Policies; Public Borrowings and Public Debt Budgets – Types and Forms; Budgetary Process; Financial Accountability; Accounts and Audit.	
13.	Miscellaneous.....	195-206



PAPER – II

INDIAN ADMINISTRATION

- 1. Evolution of Indian Administration207-216**
Kautilya's Arthashastra; Mughal Administration; Legacy of British Rule in Politics and Administration – Indianization of Public Services, Revenue Administration, District Administration, Local Self-government.
- 2. Philosophical and Constitutional Framework of Government217-230**
Salient Features and Value Premises; Constitutionalism; Political Culture; Bureaucracy and Democracy; Bureaucracy and Development.
- 3. Public Sector Undertakings231-239**
Public Sector in Modern India; Forms of Public Sector Undertakings; Problems of Autonomy, Accountability and Control; Impact of Liberalization and Privatization.
- 4. Union Government and Administration240-251**
Executive, Parliament, Judiciary – Structure, Functions, Work Processes; Recent Trends; Intragovernmental Relations; Cabinet Secretariat; Prime Minister's Office; Central Secretariat; Ministries and Departments; Boards; Commissions; Attached Offices; Field Organizations.
- 5. Plans and Priorities.....252-262**
Machinery of Planning; Role, Composition and Functions of the Planning Commission and the National Development Council; 'Indicative' Planning; Process of Plan Formulation at Union and State Levels; Constitutional Amendments (1992) and Decentralized Planning for Economic Development and Social Justice.
- 6. State Government and Administration.....263-274**
Union-State Administrative, Legislative and Financial Relations; Role of the Finance Commission; Governor; Chief Minister; Council of Ministers; Chief Secretary; State Secretariat; Directorates.
- 7. District Administration Since Independence.....275-283**
Changing Role of the Collector; Union-State-Local Relations; Imperatives of Development Management and Law and Order Administration; District Administration and Democratic Decentralization.
- 8. Civil Services284-303**
Constitutional Position; Structure, Recruitment, Training and Capacity-Building; Good Governance Initiatives; Code of Conduct and Discipline; Staff Associations; Political Rights; Grievance Redressal Mechanism; Civil Service Neutrality; Civil Service Activism.

9. Financial Management	304-319
Budget as a Political Instrument; Parliamentary Control of Public Expenditure; Role of Finance Ministry in Monetary and Fiscal Area; Accounting Techniques; Audit; Role of Controller General of Accounts and Comptroller and Auditor General of India.	
10. Administrative Reforms Since Independence	220-333
Major Concerns; Important Committees and Commissions; Reforms in Financial Management and Human Resource Development; Problems of Implementation.	
11. Rural Development	334-346
Institutions and Agencies since Independence; Rural Development Programmes; Foci and Strategies; Decentralisation and Panchayati Raj; 73rd Constitutional Amendment.	
12. Urban Local Government	347-356
Municipal Governance; Main Features, Structures, finance and Problem Areas; 74th Constitutional Amendment; Global-Local Debate; New Localism; Development Dynamics, Politics and Administration with Special Reference to City Management.	
13. Law and Order Administration	357-371
British Legacy; National Police Commission; Investigative Agencies; Role of Central and State Agencies including Paramilitary Forces in Maintenance of Law and Order and Countering Insurgency and Terrorism; Criminalisation of Politics and Administration; Police-Public Relations; Reforms in Police.	
14. Significant Issues in Indian Administration	372-401
Values in Public Service; Regulatory Commissions; National Human Rights Commission; Problems of Administration in Coalition Regimes; Citizen-Administration Interface; Corruption and Administration; Disaster Management.	
15. Miscellaneous.....	402-424



ABOUT THIS BOOK

Public Administration - IAS Mains Q & A - revised and updated edition (2023) covers topic-wise solutions to previous 15 years' papers (2008-2022) as per the latest syllabus.

Ideally, going through last 10-15 years papers is enough for an aspirant to get a taste of the pattern of questions being asked and how their answers should be. So, keeping this in view, without compromising on quality of answers, we have provided last 15 years' answers. Further, this has been done to cap the price as well as number of pages i.e. to prevent the book getting bulkier.

Importance of Public Administration as an Optional: The subject basically gives an idea about government mechanism. All future administrators must have this knowledge. The subject has a well-defined syllabus and is generally regarded as easy and simple to understand. The questions are generally straightforward. There is a lot of overlap with the general studies papers - about 60%. Studying this subject will help you in saving your valuable time as well as in your essay paper and interview preparation. Further, the students of Political Science have got an extra edge in this subject as the Public Administration is the offspring of Political Science.

Answer writing in this Book: We have put forth answers to each question as per the demand of the question. A descriptive approach has been adopted while writing these answers to arm you with relevant knowledge related to all aspects of a particular topic. In most of the answers, we have provided additional information, not necessarily adhering to the prescribed word limit while answering the questions covering all dimensions. This will enrich your knowledge on that topic, enabling you to write better answers in future.

How to use this book: This book will assist you in your answer writing practice in two ways - use this book as a source of reference for the topics and write answers in your own unique way or alternatively, you may write previous years' answers and compare them with the standard answers provided in this book.

Optional subject has become the deciding factor in getting an interview call. Though UPSC has introduced four GS papers to give a level playing field to all, the dynamic and unpredictable questions of GS papers defeated the purpose and made Optional paper the magic wand. The toppers' optional marks also tell it loudly that optional subject plays a defining role in determining the selection of the candidates.

So, overall this book is an ideal companion for you going to appear the Mains examination. To help the aspirants to get acclaimed with the pattern and trend of the exam, this book is a valuable gift to our readers.

—Editor

PAPER - I

**ADMINISTRATIVE
THEORY**

1

INTRODUCTION

Q. Public Management takes “What” and “Why” from Public Administration and “how” from Business Management. Elaborate (CSE 2022)

Ans. Public Management is defined as an activity which is a part of public administration having “citizen centricity” and “welfarism” as its core objectives however it uses tool and techniques of business management in order to be more efficient and effective.

The idea of public management arose with the use of term “New Public Management” which was introduced in 20th century in the backdrop of problems related to globalisation, world-wide contention and failure of government policies and programmes.

Thus, the idea of Public Management arose as a possible solution to the then contemporary problems, where Public Management became synthesis of Public Administration and business management. Hence Public Management gets its clarity of “what” and “why” it needs to do from Public Administration, where “what” perspective defines that public administration work towards establishing “welfare state” for people by executing and implementing “citizen centric” policies and programmes so that society could become more just and egalitarian, thus displaying the core principles of good governance.

However, on the other hand, the “why” perspective is based on “Social Contract” theory where states are legally and morally bound to serve people as people have given the state the power to rule.

Thus, with clarity of “what” and “why” perspective from Public Administration, Public Management takes “how” perspective from Business Management where Business Management provides tools and techniques for managing human resources, adopting methods of new public management like “contracting out”, “total quality management”, “organisation and work method”, “performance appraisal”, “scientific financial and budget analysis” so that it can achieve

3E’s i.e. economical, effective and efficient in public administration domain. Thus Public Management achieve its clarity and derives its roadmap taking “what” and “why” from Public Administration and “how” from Business Management.

Q. New Public Service celebrates what is distinctive, important and meaningful about public services. Discuss. (CSE 2022)

Ans. The New Public Services is presented as a set of ideals and related practices emphasising democratic norms and citizen engagement in the conduct of public administration. It has been offered as an alternative to the New Public Management (NPM) which was popularised by Osborne & Gaebler in Reinventing Government (1992).

The New Public Service addressed core questions about the nature of public service, the role of administration in governance and the value tension surrounding bureaucracy, efficiency, equity, responsiveness and accountability. New Public Service provides a framework calling for reaffirmation of democratic values, citizenship and services in the public interest.

The meaning, distinctiveness and importance of new public service are based on certain core principles:

- 1. Serve Citizens not Customers:** Unlike NPM, where government was premised to be an entrepreneurial government as popularised by Osborne & Gaebler, where goals and objectives of government were filtered through the lens of economy and efficiency and thus individuals were treated as clients however New Public Service negated this thought and advocated for “democratic citizenship” where individuals could be treated as citizens not as clients.
- 2. Seek the Public Interest:** The state and the relationship of citizens to the state should be based firmly on the idea of the self-interest. Government exists to ensure that citizens can make proper choices

2

ADMINISTRATIVE THOUGHT

Q. Every human organisation shall start from System-I and ultimately end up with System-IV. Comment on Likert's statement.

(CSE 2022)

Ans. Rensis Likert is one of the behavioural thinkers, who believed that roles and relationship the management and employees have, it has everything to do with the question of how able an organisation is to become successful. With this mindset, he identified "Four management styles" in the form of Likert's management system that can vary depending upon the manager and the entire organisational environment.

Thus Likert's management system identified 4 leadership styles which are based on management and employees relationship which are as follows:

Likert's Trust-Motivation-Interaction Grid

	Trust	Motivation	Interaction
System 1	No Trust	Fear, Threats, and Punishment	Little Interaction, always Distrust
System 2	Master/Servant	Rewards and Punishment	Little Interaction, always Caution
System 3	Substantial but Incomplete Trust	Rewards, Punishment, some Involvement	Moderate Interaction, some Trust
System 4	Complete Trust	Goals based on Participation and Improvements	Extensive interaction. Friendly, high trust

Thus in case of organisational theory, it would appear justifiable that an organisation should embrace system - I i.e. "exploitative authoritative", where top management would be the decision maker and the communication ought to be top down, however later with expertise and experience, the organisation would move towards System-II and System III and finally to System IV.

However in practice the movement is not always unilateral rather it embraces the leadership style depending upon the goal, ecology and environment in and for which the organisation works.

For example, during emergency situation the leadership assumes "exploitative authoritative" approach i.e. system-I however in normal times the organisation is based on participative management approach i.e. System IV.

Similarly military organisations or other such organisations which have routine functioning and are based on clear rules and regulations would require the system-II i.e. "benevolent authoritative".

For organisations and departments which require innovation, research and development along with constant evolution would require System-III and System-IV based leadership skills i.e. "Consultative System" and "Participative System" in order to assure maximum efficiency.

Hence not always all organisations move from System-I to System-IV, rather the ecology, environment and goal of the organisation determines what leadership style or system of organisation it would embrace which can vary from system to system based on time and need.

Q. Human relationists postulate that 'what is important to a worker and what influences his/her productivity level may not be the organisational chart but his or her association with other workers'. Is it more relevant today?
(CSE 2022)

Ans. Human Relations Theory (HRT) is a school of organisational thought which focuses on workers' satisfaction and places emphasis on importance of the individual. The theory came in the backdrop of as a critic to Classical Organisation Theory, where individuals were treated as "mere cog in the wheel", however HRT sees individuals as "idiosyncratic who responds to his or her environment".

ADMINISTRATIVE BEHAVIOUR

Q. Strategic communication ought to be an agile management process. Discuss the conceptualisation of strategic communication for the government actions. (CSE 2022)

Ans. Strategic communication is defined as an orchestrated use of channel of communication to move and influence public policy or to promote an agenda. It is the process of delivering a unified message through suitable channels and is oriented towards orchestration, synchronisation of actions, words and images in order to achieve the desired effects.

It aims to build confidence and promote active dialogue through multilateral exchange of ideas. The leaders are driving force of strategic communication those who ensure effective co-ordination and integration of effort. The process involves continuous analysis, planning and execution. It is this approach which ensures its effective use in agile management process.

The 21st century is era of technology, adaptation and continuous evolution. Similarly the goals, objectives and issues in governance too are rampantly changing in nature. Thus the government needs to be agile and adopt continuous adaptation. The agile management is based on continuous iteration and policy analysis, it promotes continuous monitoring, analysis and then gradual adaptation and is premised on the base to meet even certain unforeseen externalities besides desired goals and outcomes.

The Economic Survey 2021-22 talked about agile management approach, as nation was hit by Covid-lead pandemic. The survey advocated for "agile management" in place for "waterfall approach" which was used earlier. The pandemic lead the economy and social mobility to hit rock bottom and thus without the availability of any reliable data obtained by CSO and NSSO, the government relied on unconventional sources for policy targeting, referred as "High frequency indicator" like banking transaction, Baltic dry Index, UPI transactions, LPG cylinders disbursal, etc.

It is this agile approach that lead to continuous adaptation in wake of uncertainties due to the pandemic. The government used strategic communication approach advocating balancing demand and supply side i.e. by providing cheaper credit and loan to the tune of Rs. 20 lac crore to worst hit MSME sectors, similarly schemes like MNREGA and PM-Garib Kalyan Yojana were used to address the issue of reverse migration and assist the rural economy.

The necessity to improve fiscal health and prevent leakage of funds lead to identification of beneficiaries and disbursal of credit and subsidies to the individuals' account based on DBT.

The idea was successfully executed all because of strategic communication based on agile management.

Institutional reforms like NITI Aayog in place of Planning Commission which was earlier based on "Five Year Plan" approach proved to be ineffective, however now with continuous adoption and need of agile approach NITI Aayog uses "3 year agenda" to accomplish the task and target in 3 years, similarly it uses "7 years strategy" to draw a roadmap for development of the country and "15 year vision" that encompasses overall goal and objectives of the country for next 15 years.

The institution ensures continuous iteration and thus update and upgrade itself with changing pace of time for example, adoption of hybrid vehicles and designing road map for clean energy in pursuance of government objectives and goals. The government through agile management had identified the domestic causes of pollution and thus uses strategic communication to motivate individuals and nation as whole to work for the possible solutions.

Thus, strategic communication serves as a necessary tool in modern day governance where government needs to be agile and flexible. Hence, through their effective and complementary use, government can boost its governance mechanism and conceptualise its functioning in modern era.

ORGANISATIONS

Q. Public-private partnership phenomenon has been transformed into a type of governance scheme or mechanism. Discuss its capacity to overcome future challenges. (CSE 2021)

Ans: Public-private partnership has been defined by the World Bank as a “long term contract between a private party and a government agency for providing a public asset or service, in which the private party bears the significant risk and management responsibility”. The model relies on recognition that both sectors have certain relative advantage with each other in performing specific task, however governance is defined as “the mechanism or machinery through which government exercises its powers and authority, the activity today is not limited to government alone rather it encompasses a network of actors.

These network of governance depend on collaboration and participation, where state being the central authority leads the role of a “facilitator, catalyser and helper”, in bargaining and negotiating with the private sector with prime focus on combining resources of both public and private sector in the form of public-private partnership for effective and efficient service delivery and managing public affairs.

PPP model has been the lead instrument of change in many infrastructural projects, of which economic infrastructure has been biggest beneficiary like development in ports, road networks, airports, etc. However, besides economic infrastructure, the PPP model has been well reformative in social infrastructure projects too like education, health, sanitation and many other related sectors. The Mid-day Meal scheme with collaboration of Akshaya Patra foundation on PPP model has shown its effectiveness in increasing attendance and improvement in health of school children. Similarly, issue of solid waste management through PPP model has championed the cause of Swachh Bharat scheme. In contemporary Covid-induced uncertainties, PPP model served as a bridge in effective governance where private hospitals admitted patients collaborating with government under PM-JAY scheme.

Thus, PPP model has served to make sure availability of resources, skills and fund letting government bypass these complex issues which are time consuming and expensive, while on the other hand private sector can use the position and authority of government in getting approval for issues such as land acquisition, environment clearances and fund availability. As a result of it, this model is being increasingly accepted as a new policy instrument in governance reform.

However, despite its shiny silver linings in contemporary times, a pro-activeness is needed as there are always future challenges in rapid evolving times be it in education, health or any other sector, to address these challenges and introspection is always needed to

- addressing the issue of sound legal mechanism in place for hassle free future recourse;
- having a consensus on what critical information of relevant sectors should be made available;
- clarity regarding what would be the opportunities for investments made;
- whether the project taken is impartially and independently monitored; United Nations agency UNODC in its report “probity in public procurement” has flagged PPP projects in India more prone to corrupt practices.

In pursuance of these challenges, the Govt. of India formed a committee in 2015 under Vijay Kelkar on PPP revitalisation to address future challenges. Few recommendations of the Committee are:

- Establishment of independent regulatory agency.
- An amendment to Prevention of Corruption Act to differentiate between error of judgement and wilful corrupt practices.
- To provide monetisation of complete projects.
- Constitution of Infrastructure PPP Adjudication Tribunal (IPAT) headed by Supreme Court or high court judges.
- Infrastructure PPP Review Committee with experts from economics, law and engineering to assist in technical details.

PAPER - II

**INDIAN
ADMINISTRATION**

1

EVOLUTION OF INDIAN ADMINISTRATION

Q. "Mughal Administrative system was centralised despotism". Comment (CSE 2022)

Ans. The Indian subcontinent witnessed Mughal rule for 200 years. Mughals built an empire based not only on their mighty political power but also on a firm administrative setup. The Mughal administration was based upon "divine theory of kinship" where king was supreme in all the governance process. He was the fountainhead of all the powers in the state and the state administration was based on Islamic laws. The Mughal administration was deemed to be centralised despotism as the structure of administration was based on "Mansabdari system" which was civilian-cum-military diplomacy; the officials were given rank based on their Mansab.

- These mansabdars were either appointed to civil or military post.
- The structure of administration was strictly premised on Weberian principles i.e. hierarchic, centralised, top-down and rigid and the authority was either "Traditional" or "Charismatic".
- There was no concept of public accountability and state was more of a "police state" and the development effort taken were mere charitable obligations rather than welfarism.
- There was absence of concept of welfarism and people were treated as subjects without any rights.
- There was no rule of law or tenets of constitutionalism thereby promoting aristocratic tendencies wherein people have no progressive rights.

Although certain element of benevolent despotism can be seen during Akbar and Jahangir's tenure however the overall Mughal administration was centralised and despotic in nature.

Q. Kautilya envisages protection, welfare and prosperity of the State and its people as the utmost concern of a ruler. In this context, discuss the significance of Kautilya's emphasis on governing, accountability and justice in contemporary India. (CSE 2021)

Ans: Kautilya was an Indian teacher, philosopher, economist, jurist and a royal advisor. He is also identified as "Chanakya" or "Vishnu Gupta". His political treatise 'Arthashastra' is authored in the backdrop of Mauryan administration, prescribing the roles and duties of the king, the ideology and framework that state should adopt. Arthashastra is multi-faceted in its perspective and deals with a variety of subjects even outside the governance.

Kautilya's prescription and ideologies were practical and foresighted for state administration thus it not only held relevance in the past but also has its utilities in modern day governance. Kautilya not only prescribed the rights and duties of king but also prescribed limitations of the king, in present day it can be witnessed in the powers and functions of organs of state enumerated in the Constitution as well as provisions of limitations defined as constitutionalism.

Kautilya emphasised on the concept of "yogkshema" i.e. a welfare state, the king was guided by it, in present day too, the Directive Principles enumerated in the Indian Constitution forms the guiding instrument for the government for achievement of a welfare state. Kautilya was of the view "in the happiness of people lies the happiness of the king" same can be construed in modern day governance, where the government is obliged by the Constitution to serve for welfare and happiness of people. Kautilya discussed, during disasters and calamities king should have paternalistic relation with its people as contemporary disaster management rules mandate for relief, support and finance from the government. The king, according to Chanakya, has no restraint but he is made accountable and answerable through codes like "Dharmaniyam"; his training and education imbibed in him moral conduct as well as respect for Rajpurohit, similarly in present times accountability is enforced through laws, rules and regulations, civil services conduct and rules imposes moral obligation on officials to practice self-restraint.

Kautilya referred "the ultimate source of all law is Dharma" because the king is the guardian of right conduct of this world, with four varna and four

PUBLIC SECTOR UNDERTAKINGS

Q. "The New Economic Reforms during the past three decades have not only reduced the scope of industrial licensing and areas reserved exclusively for Public Sector but also infringed the autonomy of existing public sector undertakings." Examine. (CSE 2022)

Ans. In the year 1991, India witnessed economic reforms and opened the domestic market to the global world by adopting LPG model i.e. Liberalisation, Privatisation and Globalisation. The government redefined the role of PSUs by reserving only few sectors for it whereas it delegated the large market space to the private sector. The government eased the scope of industrial licensing and curbed the "license permit raj".

The government abolished the Monopolistic and Restrictive Trade Practices (MRTP) Act to boost the competition, Foreign Exchange Regulation Act (FERA) was replaced by Foreign Exchange Management Act (FEMA). More freedom was given to market sector, various sectors of economy like finances, banking, technology, and trade were made open to the global market. The government assumed the role of steering and made market forces to row the economy. The PSUs which were either in loss making or underperforming were either closed or privatised, only few sectors were exclusively left to the public sectors like atomic energy, minerals and railways. Market based mechanism were promoted to boost productivity, efficiency and outreach. Similarly the PSUs were reformed too to boost their performances, they were granted functional autonomy and discretion based upon which they were classified as Maharatna, Navratna and Miniratna.

Although the economic reform accompanied with itself the psychology of more free market economy and autonomy and the PSUs role and mechanism were redefined, still the autonomy of existing PSUs is largely infringed. Although PSUs has been granted autonomy in their functioning and appointment however still the ministers exercise due control over them and uses it as a means to achieve populism.

Glaring Examples of infringement towards the autonomy of PSUs

- Life Insurance Corporation has been called on to disguise failed privatisation as success by buying shares no one wanted.
- National Small Saving Fund was initially obliged to mount and rescue operation of national AIR India airlines.
- Indian Railways had been dealing with its over manning by a policy of natural wastage, however to project government in positive limelight during election, government instructed railways to employ 1,27,000 persons.
- PSUs have been reformed to grant them professional autonomy, the appointment of officials are based on pure merit to boost efficiency and effectiveness, however of a recent CM of a north eastern state has appointed 10 MLAs as head of government corporation.
- PSUs are vital institutions for development of country, they have motive for promoting welfare as well as garnering profits too. However, government use them to promote "Crony Capitalism". It gives preference to certain private sectors through disinvestment, strategic sale, etc. which tends to create mono or duopoly in the market and thus preventing the best advantage the PSUs can have.

Although PSUs have been given greater autonomy and independence and they have been performing to their optimum potential but still undue influences, political hegemony and practices like crony capitalism should be stopped. Thus, PSUs must be devolved with due independence in soul and spirit and not just for formalism. Hence, only then can the core objective of inclusivity, efficiency and effectiveness can be achieved.

Q. Does the privatization of key public sector bodies augur well for welfarism in India? Discuss with suitable illustrations.

(CSE, 2020)

Ans: The term 'privatization' is used in different ways, ranging from 'transition to private legal forms' to 'partial or complete denationalization of assets.'