

ETHICS

Classroom Study Material

Part-3



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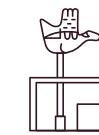
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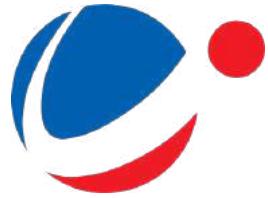
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ENSURING PROBITY IN GOVERNANCE, WORK CULTURE AND PUBLIC SERVICE DELIVERY

Student Notes:

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This document shall cover the following sections from the syllabus-

- Probity in Governance- Right to Information, Citizen's Charters, Work Culture, Quality of Service Delivery, Utilization of Public Funds

1. Right to Information Act 2005

1.1 Introduction

RTI Act empowers the citizens of India to seek information from a public authority, thus facilitating transparency and accountability of government and its auxiliaries.

- Under the provisions of the Act, **any citizen may request information from a "public authority"** (a body of Government or "instrumentality of State"), which is required to reply within thirty days.
- The Act requires **every public authority to computerize their records for wide dissemination and to "pro-actively" publish certain categories of information so that the citizens need minimum recourse to request for information formally (i.e. disclosure of information with respect to functioning of the government must be a rule rather than an exception and must be provided proactively, without asking for it).**
- It **applies to all States and Union Territories of India.**
- Department of Personnel and Training has been made the **Nodal Department for the RTI implementation at the Central level.**
- As per the Act, **Information Commissions are expected to issue orders/directions to the Public Authorities to carry out their duties** as per the mandate of the Act.

Brief working of the Act

The act relies of two important functionaries - PIOs and the Appellate Authorities (AAs) who play a crucial role in implementing it. The **PIO is the first line of contact with the common man**, and the officer has to **deal with RTI applications seeking information** on numerous issues. In case the PIO fails to provide information on time or the applicant is not satisfied with the information provided, the AA — often a senior officer in the department — steps in.

The **Appellate Authority can conduct hearings on the matter and give directions** which have to be followed. If the applicant is still dissatisfied, he/she can move the Information Commission for a second appeal hearing. There is **no hierarchy of Central or State Information commissions (CIC/SIC). CIC deals with departments of central government and SIC with departments of State government.**

The **CIC does not have jurisdiction over a State Information Commission** nor a complaint or appeal can be filed in CIC against an order of a State Information Commission.

1.2. Role of Stakeholders in RTI Implementation

RTI Act has the potential to bring in a revolution in the Indian administration, provided the stakeholders and the agencies concerned take up their responsibility towards the spirit of the Act. Most of the execution is to be carried out by appropriate governments and Information Commissions. Time and again it has been found that various agencies, media etc. have functioned as a pressure group for the active implementation of the Act.

Key role played by various entities has been discussed below:

1) Civil Society Organizations/NGOs

They help in enhancing the reach and awareness of RTI among the masses, especially in rural areas. However, given the geographical size and population of the country, their reach is limited. They have also made contribution towards training of Public Information Officers (PIOs)

2) Media

Media has played an important role in generating awareness at a mass scale through news articles and TV debates. In the context of RTI implementation, journalists at times have played a dual role as the users of RTI Act and also as the watchdogs, monitoring and scrutinizing the implementation of the Act.

3) State Governments

Maximum engagement of citizens happens with the agencies under the state governments. Hence, effectiveness of RTI act depends crucially on the sensitivity and implementation of the act in State government departments.

- **Jankari Call Centre:** Bihar Government has initiated a six-seater call center. This call center facilitates a caller in drafting the RTI application and the fee is collected through the phone bill.
- **“Train the Trainer” concept in Assam:** Assam has adapted a “Train the Trainers” concept, where the Government trains the NGOs to impart training to citizens on RTI in order to maximize the reach of RTI and ensure that there is local ownership and sustainability.

1.3. RTI - An Instrument of Change

“Where a society has chosen to accept democracy as its creedal faith, it is elementary that citizens ought to know what their government is doing” – Justice P N Bhagwati

- **Good governance:** Highlighting its importance, the second ARC states that the RTI is master key to good governance.
- **Participatory development:** The RTI has become a tool for promoting participatory development, strengthening democratic governance and facilitating effective delivery of public services.
- **Transparency and Accountability:** It facilitates fairness and objectivity by bringing together the two most important tools – transparency and accountability, minimizing corruption and inefficiency in public offices
- **Citizen centric sensitivity:** Enactment of the RTI Act has brought sensitivity, responsibility and accountability to the development process, especially in the rural areas. It is path breaking in controlling delays in the implementation of government-sponsored programmes and the functioning of public authorities.
- **Voice of the democracy:** The RTI is influencing people to come forward and question the progress on various welfare schemes, creating positive changes in the most backward areas of India.

1.4. RTI Success Stories

RTI has become a weapon in the hands of common citizens to fight for their rights. It is not surprising that the most frequent usage of the RTI Act has been in the areas where citizens had to struggle to get what was rightfully theirs.

There are many such examples where people have benefitted from the RTI Act and corruption as well as corrupt have been exposed and punished. RTI is empowering people by letting them hold the executive responsible for its actions and for the ways the resources of the country are being put to use.



Story 1: Fair decision for BPL beneficiaries

RTI information revealed that some people were misusing BPL ration cards and snatching away grains meant for the genuine Beneficiaries. The District Collector of Bilaspur takes apt action

Use of RTI:

Buddhi Soni and Mahendra Dube filed an RTI application with the Ratanpur Municipal Council, seeking photocopies of the list of BPL beneficiaries published over the last three years. The information revealed that someone else had been using it to claim the quota of rationed food grains. Besides, some other beneficiaries too had their names in one or the other BPL survey lists and ration cards had been issued in their names. However, these were also being illegally used by some others. Soni and Dube registered a complaint with the District Collector and Sub Divisional Officer, Bilaspur and appealed to them to restore the right of the deprived ones.

The Success

The district administration instituted an inquiry on the basis of the complaint by Soni and Dube. The food inspector, who was in charge of the inquiry recorded statements of officials from the Ratanpur Municipal Council, fair price shop operators in Ratanpur and some Councillors. His probe revealed that, some beneficiaries in whose names ration cards were issued had no knowledge of it. The competent authority then issued ration cards to the eligible beneficiaries and they began getting their rightful food grains at fair price

Story 2: School girl gets garbage dump cleared

The Problem

Aishwarya is possibly the youngest RTI user. She was eight year old in class 4 student of Lucknow's renowned City Montessori School, when she successfully used RTI for a public cause. Aishwarya was distressed that she and her school mates had to walk to school, through an overflowing garbage dump that lay in front of the school. They were also vulnerable to the stray dogs which loitered around the dump. Earlier, several residents had appealed to the civic body to shift the garbage dump, but it fell on deaf ears.

The Problem

Aishwarya then consulted her mother who is an RTI user and wrote to the Chief Minister's Office, highlighting the danger that the garbage dump posed to the school children and requested action from the municipality to shift the garbage dump. She did not receive any reply. Then, she sent an application under Section 6 of the RTI Act to the PIO at the office of the Chief Minister. The application was hand-written on her school notebook. She took out required money from her piggybank to pay the RTI application fees of Rs.10

1/2

1.5. Implementation challenges with RTI

Department of Personnel and Training conducted a field survey (in 2008) to gauge the issues in the enforcement and implementation of the RTI. It came out with the following findings:

1. Low public awareness

Section 26 of the RTI Act states that the concerned Government may develop and organize educational programs to advance the understanding of the public, especially

disadvantaged communities, regarding how to exercise the rights contemplated under the Act.

Student Notes:

- However, as per the survey it was revealed that **only 15% of the respondents were aware** of the RTI Act. During the awareness survey, it was also observed that the major sources of this awareness were mass media channels like television channels, newspapers etc. and the word of mouth.
- It was further **observed that awareness level is low among the disadvantaged communities like women, rural population and socially backward caste like SC/ST/OBCs.**

Efforts made by appropriate Governments and Public Authorities have been restricted to publishing of rules and FAQs on websites. These efforts have not been helpful in generating mass awareness of the RTI Act.

2. Constraints or complications in filing complaints

- a) **Non- “availability” of User Guides for information seekers:** 52% of the citizens surveyed requested availability of a user guide/manual at all the Public Authorities.

Lack of user guides results in *substantial efforts* on the part of the information seeker to gather knowledge about the process for submitting an RTI request. This often sends them away from making use of their right to information.

- b) **Inconvenient payment channels for offline RTI application submission:**

It was found in the survey that in the absence of clear guidelines and instructions, public authorities have chosen a subset of the allowed payment channels such as cash and demand drafts, which causes inconvenience to citizens. **Further, collection of fees through cash necessitates the presence of the applicant in the State, whereas the Act does not provide for any such restriction.**

Further, the survey revealed that submission of applications through the PIO's office is the most prevalent submission channel, therefore **“proper signage” with the location details and availability time of the PIOs is crucial. However, 85% of the information seekers said that no signage was present to locate the concerned PIO.** It leads to multiple visits to be made to the PIO office for submission of an RTI application.

3. Lack of assistance by the Public Information Officers in filing the application

In a country where literacy rate is 77%, it is imperative for the authorities to assist people in exercising their right but that is not the case as found by the survey. This reveals that process of RTI application submission has not been designed keeping in view the needs and convenience of the citizens.

4. Standard forms for RTI application and PIO's Replies

While the Act does not necessitate having a standard application form, there are significant advantages of using a standard form for an RTI application, such as:

- The standard form helps in getting basic information which helps the PIOs (Public Information Officer) in providing the requisite information and contacting the applicant for communication required.
- If basic information is available, it is helpful for the Public Authority to identify the nature of frequent information requests so that it can be provided as a suo-moto disclosure
- **Only two states i.e. Maharashtra and Orissa** have prescribed a standard form.

5. Issues related to information provided

Student Notes:

- a) **Poor quality of information provided:** Majority of the respondents said they were dissatisfied with the quality of information being provided in response to their application which is most of the times incomplete and inaccurate.
- b) **Issues with collation of information:** Some applications require the PIOs to do a collation and analysis of data for past 10 years or more. However 89% of the PIOs said that they did not use the provision for inspection of records. If trained properly, the PIOs can provide an option to the citizens to inspect the records. This may help in providing timely and accurate information to the applicant.
- c) **Failure to provide information within 30 days** due to inadequate record management procedures with the Public Authorities. This situation is further aggravated due to non-availability of trained PIOs and the enabling infrastructure (computers, scanners, internet connectivity, photocopiers etc.). There is lack of any electronic document management system in any of the Departments (based on Survey). Majority of the PIOs surveyed do not even maintain the list of RTI applications electronically
- d) **Training, transfers and low motivation levels among PIOs:** The training of PIOs is a big challenge primarily due to huge number of PIOs and frequent transfers of PIOs to other posts. Training institutions also pose a huge constraint with respect to the availability of training resources. There are a large number of non-profit organizations, which are carrying out the trainings in official/ un-official capacities – these are untapped resources which could be utilized for capacity building.

The SIC of Maharashtra in its 10th Report clearly stated that-

'It is observed that majority of the PIOs and AAs are ignorant on how to deal with RTI applications or how to provide information. Also, the orders of the AA are often ignored'

- e) **Denial of information on frivolous grounds:** RTI users have often complained about denial of information on frivolous grounds. The main cause of the problem is the increasing number of PIOs and AAs in the government offices. When the Act was first introduced, there were fewer PIOs and AAs, and most of them were senior officers who implemented the Act seriously. Now, the number of PIOs and AAs has increased, which has taken a toll on the quality of implementation of the Act.

6. Misused Sections of RTI Act: Further, the often-misused sections of the RTI Act by the public authorities are Section 6(3) and Section 7(9).

Section 6(3) says that if a public authority receives a request for information which is held by another public authority, "the public authority, to which such an application is made, shall transfer the application or such part of it as may be appropriate to that other public authority..."

Section 7(9) says that, "information shall ordinarily be provided in the form in which it is sought unless it would disproportionately divert the resources of the public authority or would be detrimental to the safety or preservation of the record in question..."

In the above context, some authorities pass the buck by using 6(3) without going through their own records.

7. Lack of effective Record Management and infrastructure: Further, Ineffective record management system and collection of information from field offices leads to delay in processing of RTI applications. Most significantly the practice of cataloguing, indexing and orderly storage is absent, which is critical for quick-turnaround in case of information request under RTI Act.

Even when records are stored, retrieval of intelligible information is a challenge. It is perhaps because of this situation that there is a tendency to give bulk unprocessed information rather than relevant and pertinent information.

The public authorities sometimes lack basic infrastructure also. Implementation of RTI requires the PIOs to provide information to the applicant through photocopies, soft copies etc. While these facilities are considered to be easily available at a district level, it is a challenge to get information from Block/ Panchayat level.

QUEST FOR TRUTH TURNS COSTLY FOR THE ACTIVISTS



Case study 1: Nanjibhai Sondarva (35), a resident of Manekvada village of Rajkot district, was allegedly clubbed to death by six people. The deceased's father has claimed that the attack occurred soon after Sondarva filed an RTI application demanding transparency about the funds spent on the construction of a road in his village.

Case Study 2: Mohammad Tahriuddin from West Bengal was also murdered in 2016 for exposing MGNREGA scam in Gram Panchayat of Uttar Dinajpur district of West Bengal, disseminated Information to job card holders, whose bank accounts were used for withdrawing money in name of fake projects. He was working under the organization PACT Org as a volunteer, it is an organization working in the field of Transparency and anti-corruption

Case Study 3: NHAI scam paved way for whistle-blowers law

In 2003, Satyendra Dubey, a project engineer with National Highways Authority of India, exposed corruption in the Golden Quadrilateral project in Bihar. He was shot dead in November 2003 in Gaya. Three persons were given life term in 2010 for the murder. This Called for a law to protect whistleblowers in the wake of his murder.

8. Threat to the activists and Whistleblowers

In addition to the issues pointed out, it has been found that RTI activists face life threats from the powerful against whom information is sought. Such environment of intimidation against people seeking information pull them back and dilute the whole purpose of RTI Act 2005.

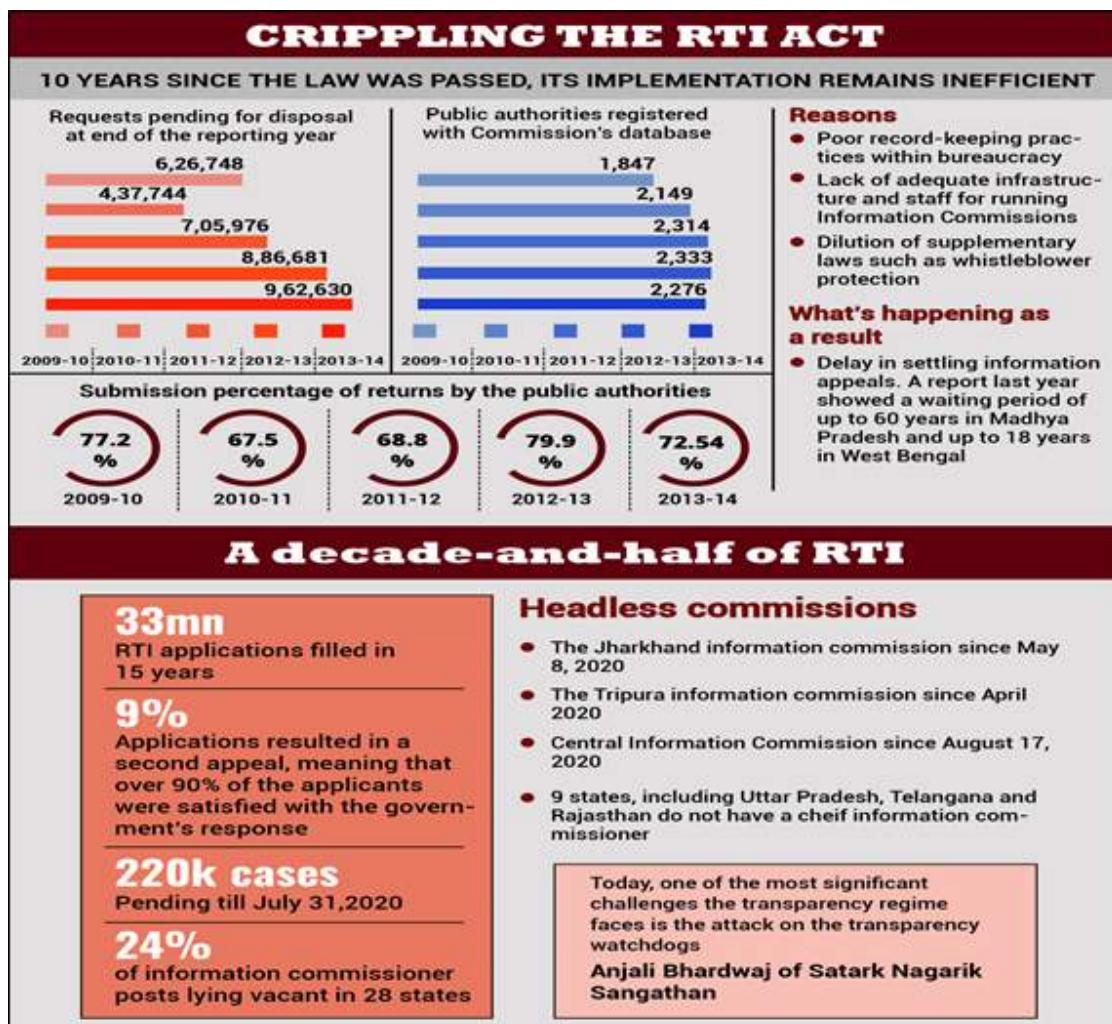
Forty activists who had demanded crucial information, with the potential to expose corruption within the government, had been killed. This has necessitated supplementary laws such as whistleblower protection laws to ensure protection for information activists.

But the Whistleblowers Protection (Amendment) Bill, 2015, has renewed concerns regarding the vulnerability of information seekers making disclosures in the public interest. The original intention of the whistleblower protection law was to protect citizens disclosing information regarding wrongdoing in the larger public interest. The amendments seem to have diluted this. The amendments do not provide immunity to whistleblowers, making them liable for prosecution under the Official Secrets Act.

The Bill dilutes the provisions of the earlier law removing everything **exempted under Section 8 (1) of the RTI Act from within the ambit of whistle-blowing** and hence, now there is a blanket ban on disclosures containing sensitive information.

Student Notes:

Despite the above issues and challenges, what the RTI Act has managed to achieve in the last decade is to **unleash a silent citizen's movement for government accountability across the country**. The RAAG (RTI Assessment and Analysis Group) report found that on an average, 4-5 million applications are filed under the Act every year.



1.6. Harnessing Potential of RTI: Analysis

The Right to Information law of 2005 signals a **radical shift in our governance culture** and permanently impacts all agencies of state. The effective implementation of this law depends on three fundamental shifts:

- From prevailing culture of secrecy to a **new culture of openness**;
- From personalized despotism to authority coupled with accountability
- From unilateral decision making to participative governance

These **shifts largely depend on the institutions, traditions and practices, changes in laws and procedures, and adequate participation of people and the public servants**. The public authorities must be sensitized towards *suo-motu* disclosure of correct information. **Change in attitude is required among the public servants to shed their colonial mentality of secrecy**. The government should work on the principles of maximum disclosure and officials must feel obligation to publish information.

RTI as a double-edged sword. RTI has its limitations in a democracy. An enlightened citizenry should use RTI as a means to strengthen democracy and not to obstruct the functioning of the state. **RTI requires an environment conducive to its operation. It needs supporting institutions as well as governance system**, otherwise, leaks from the system may create a situation of anarchy and undermine the legitimacy of the state.

The public bodies should **utilize innovative mechanisms for promoting open government**. They must facilitate access to information. **Their meetings should be open to the public. The requests for information should be processed rapidly and fairly and an independent review of any refusal should be available.**

The individuals should not be deterred from making requests for information. Also, safe and secure environment must be ensured for the RTI activists and whistleblowers. It is important to entrust confidence in public over the exercise of the RTI.

It must be noted that **along with freedom comes the responsibility of its judicious use**. That is why our Constitution incorporates Fundamental duties along with the Fundamental rights to the citizens. **Though it is true that the Right to Information is a strong instrument in the hands of common people to fight corruption and mis-governance, however it must be used with caution and non-serious applications should be avoided.**

Also, information can be used by **anti-social elements to create disharmony in the state of affairs of the country and create a sense of mistrust and despair among the stakeholders that can be very discouraging and harmful.**

Thus, **adequate checks and balances** are required to be built to ensure that this right or the information got by exercising the right is not misused to attack the integrity and sovereignty of the nation in any sense.

2. Citizen Charter



What is the Citizen's Charter

It's a framework that outlines detailed descriptions of available services and service delivery instructions to help you work with government service providers and receive the service you need.

It ensures transparent and accountable public service delivery at the local level.

The Citizen's Charter allows you to access government services easier than ever!

2.1. Significance of Citizen Charter

Citizens' Charter ensures efficient delivery of public services **as a means to an end**, which is reflected in the welfare of the citizens. It is a means for promoting **good governance** through citizens' participation in administration making the **government more responsive, accountable and transparent**. It thus serves as a means to bring Government services to the doorstep of citizens.

It has in a way transformed the public service delivery paradigm in the following ways:

Student Notes:

- It has altered this concept of accountability by providing citizens with a clear **understanding of service delivery standards**, including timetables, user fees for services, and options for grievance redressal. For e.g. **Citizen's Charter of Hyderabad Metropolitan Water Supply and Sewerage Board has incorporated provision of payment of compensation as a token of commitment to its customers in the event of failure to provide services.**
- It has strengthened both the **supply** of (e.g., more customer-focused service delivery, clearly outlined performance standards) **and demand** for (e.g., increased citizens' awareness about their rights) good governance. For e.g. **Ahmedabad Jan Sewa Kendras**.
- It helps the citizens to **understand the type of services** they can expect from a particular service provider.
- It ensures **better service quality and grievance redressal systems** in place for citizens.
- It incorporates **citizens' feedback in improving service delivery** quality, thus ensuring citizen participation in evaluation as well as implementation of policy.
- It makes the citizens aware of the **intent of the service provider** and helps in holding the organization accountable.
- Further, **improved service delivery** by making a public commitment to ensure the quality of services, use resources effectively and be fair and accessible to everyone and promote choice.
- It also **decreased the opportunities for corruption and graft** by increasing **transparency** and fairness.

2.2. Challenges with Citizen Charter

The **efficacy of Citizen charter** suffered due to **various shortcomings** during implementation:

- **Lack of legal status:** Citizen charter does not provide any legal rights to citizens hence; they lack teeth if not followed.
- **Lack of awareness:** People are not enlightened with regard to what are the responsibilities of various government departments. As a result, there is no pressure from ground to departments to perform. e.g. people are not aware of what are the services provided in primary hospitals.
- **Resource Limitation at local level:** On the supply side, departments particularly at local level are not well equipped to resource wise to deliver quality of services even citizens are aware of their functions.
- **Red-Tapism:** Even if the departments are well equipped to supply the information, their red tapism stands as a barrier between citizen and delivery.
- **Lack of a consultative process:** The deficiency of adequate consultation of all stakeholders especially with end users, NGOs and civil society organizations to formulate the Citizen Charter is missing.
- **Not in line with the Philosophy of the Charter:** Service providers being not truly familiar with the philosophy, goals and main features of the Charter.
- **Lack of earmarked funds:** Meagre or no funds have been earmarked for awareness generation of Citizens' Charter or for orientation of the staff on various components of the Charter.
- **Non-measurable Standards:** Measurable standards of delivery are rarely spelt out in the Charters. As the standards of delivery are seldom defined, it becomes difficult to assess whether the desired level of service has been achieved or not.
- **One size fits all approach:** There is a tendency to have a uniform Charter for all offices under the parent organization. This overlooks local issues.
- **Rigidity to change as per evolving demands:** There is no periodic revision of Charters in order to update them with the expectations of the citizens on the one hand and the organizational experience on the other.

Citizens are very pessimistic about any program which comes from government that creates depressor during implementation both for department and civil society. These shortcomings need to be plugged so that citizens' charters help to uphold the values of transparency, accountability and responsiveness to the people's needs.

Student Notes:

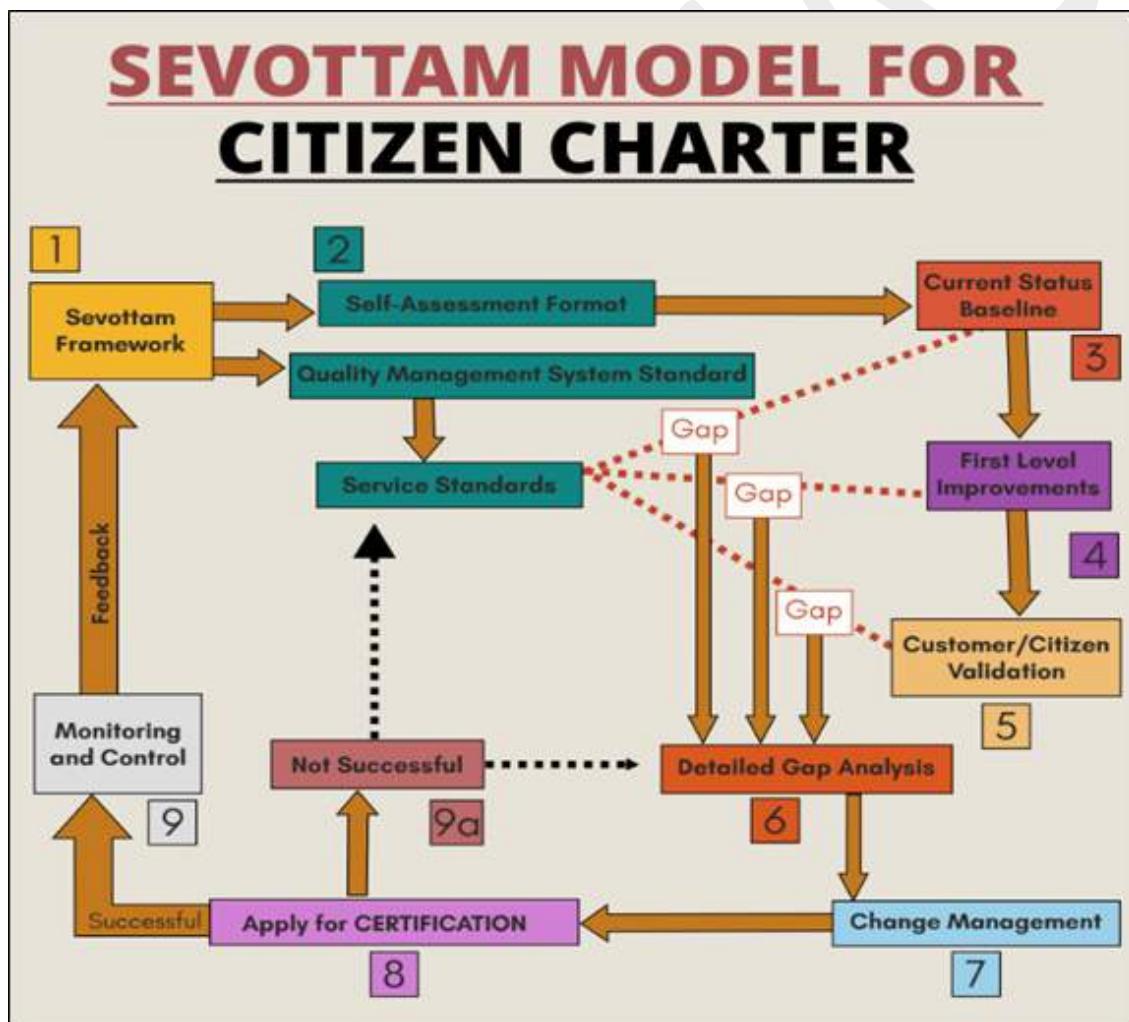
2.3. Way Forward

The Citizen charter further needs to be complemented with diligent design and implementation, continuous revision of the designated objectives thus tracking its progress to ensure transparency in governance.

In this context, few of the suggestions could be as follows:

1. Sevottam model for public service delivery

To reach its desired end goal, citizens' charter needs to be complemented with other measured. Recognizing this, the citizen centric governance commitment of Government of India has led to development of **Sevottam model for public service delivery**, which seeks to assess an organization on three factors namely **implementation of the Citizens' Charter, implementation of grievances redressal system and service delivery capability**.



2. Seven Step Model for Citizen Centricity

Further, Citizens' Charter may be improved by creating a database on consumers' grievances and redress, educating the public about the standards of delivery promise and considering the needs of senior citizens and the disabled when drafting Charters. In this context, the **Seven Step Model for Citizen Centricity** mentioned by the **2nd ARC Report** may be incorporated.

Do's and Don'ts of Citizen Charter implementation

Sl. No.	Dos	Don'ts
1	Make haste, slowly.	Don't merely make haste.
2	List areas of interface.	Don't be unrealistic.
3	Phase out areas for introduction of small steps.	Don't take on more than you can commit.
4	Involve customer and staff in formulating and implementing it	Don't involve only senior officers in the formulation and implementation.
5	Prepare a Master Plan for formulation and implementation over five years and budget for it.	Don't rush into an overall package for the whole Ministry/Department/Organisation,
6	Win consumer confidence with small, highly visible measures.	Don't promise more than you can deliver
7	Remember Citizens' Charter is a process, constantly evolving.	Don't look upon it as a one-time exercise, with a final outcome.
8	Inform the customer of the proposed commitments.	Don't inform the customer unless you are sure of delivering the service.
9	Use simple language.	Don't use difficult language or jargon.
10	Train your staff.	Don't leave yourself out.
11	Delegate powers.	Don't centralise.
12	Set up systems for feedback and independent scrutiny.	Don't continue blindly without regular periodic reassessment of performance.

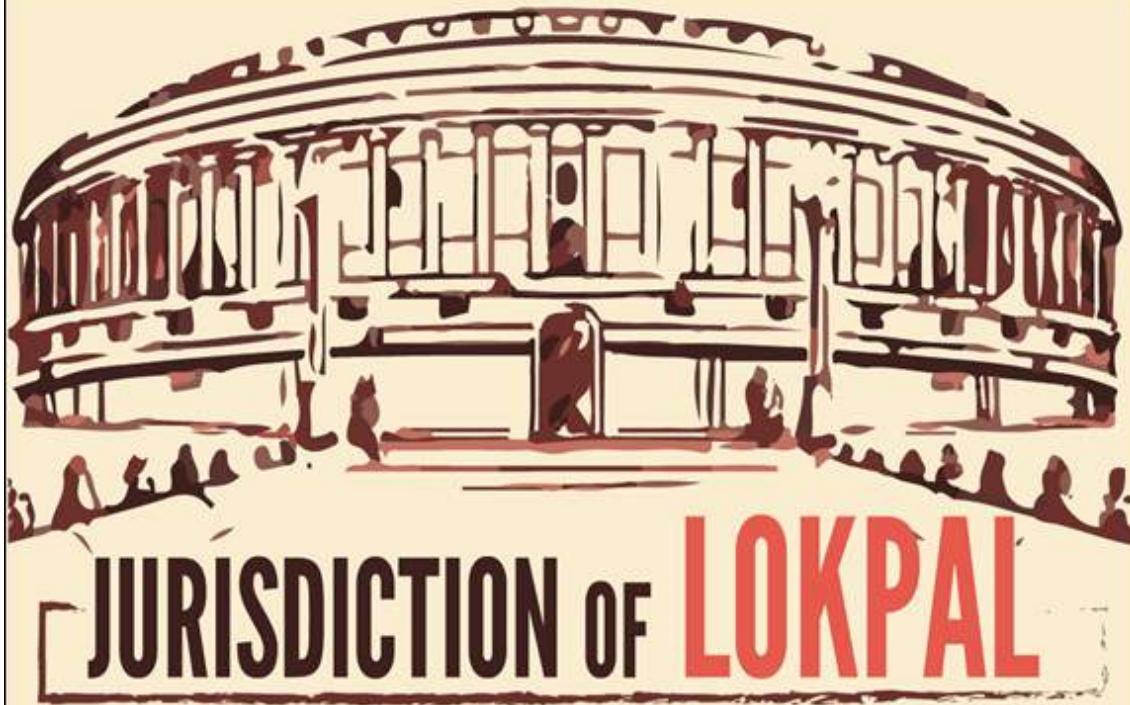
In recent times, **citizens and their rights have come into center stage in the whole effort of reorganizing how they should be governed.** The growing emphasis on upgrading the governance performance, making it more efficient, accountable and transparent has ushered the above changes. In this scenario, **citizen charter is a tool to enhance citizen's command over governance in quality delivery through educating them, improving accessibility to service provider**, incorporating their expectations and grievance redressal.

Citizen's Charter is a significant milestone in public service reform. If implemented in letter and spirit, it will help strengthen the **relationship between people and public service providers**.

3. Lokpal and the Lokayuktas

The basic idea of the institution of Lokpal has been borrowed from the concept of **Ombudsman** in countries such as **Finland, Norway, Denmark, Sweden, U.K. and New Zealand**. In 1995, the **European Union** created the post of European Ombudsman. Presently, about 140 countries have the office of the Ombudsman. Indian version this office is provided under the Lokpal and Lokayuktas Act 2013.

The Act seeks to provide for the establishment of the institution of Lokpal to inquire into allegations of corruption against **certain public functionaries and matters connecting them**.



Lokpal Jurisdiction and Powers

- ⦿ Jurisdiction of Lokpal includes Prime Minister, Ministers, members of Parliament, Groups A, B, C and D officers and officials of Central Government.
- ⦿ Jurisdiction of the Lokpal included the Prime Minister except on allegations of corruption relating to international relations, security, the public order, atomic energy and space.
- ⦿ The Lokpal does not have jurisdiction over Ministers and MPs in the matter of anything said in Parliament or a vote given there.
- ⦿ Its jurisdiction also includes any person who is or has been in charge (director/ manager/ secretary) of anybody/ society set up by central act or any other body financed/ controlled by central government and any other person involved in act of abetting, bribe giving or bribe taking.
- ⦿ The Lokpal Act mandates that all public officials should furnish the assets and liabilities of themselves as well as their respective dependents.
- ⦿ It has the powers to superintendence over, and to give direction to CBI.
- ⦿ If Lokpal has referred a case to CBI, the investigating officer in such case cannot be transferred without the approval of Lokpal.
- ⦿ The Inquiry Wing of the Lokpal has been vested with the powers of a civil court.
- ⦿ Lokpal has powers of confiscation of assets, proceeds, receipts and benefits arisen or procured by means of corruption in special circumstances.
- ⦿ Lokpal has the power to recommend transfer or suspension of public servant connected with allegation of corruption.
- ⦿ Lokpal has the power to give directions to prevent the destruction of records during the preliminary inquiry.



STRUCTURE OF THE LOKPAL

The basic idea of the institution of Lokpal has been borrowed from the concept of **Ombudsman** in countries such as Finland, Norway, Denmark, Sweden, U.K. and New Zealand.

Structure of Lokpal

- ⊕ Lokpal is a multi-member body, that consists of one chairperson and a maximum of 8 members.
- ⊕ Chairperson of the Lokpal should be either the former Chief Justice of India or the former Judge of Supreme Court or an eminent person with impeccable integrity and outstanding ability, having special knowledge and expertise of minimum 25 years in the matters relating to anti-corruption policy, public administration, vigilance, finance including insurance and banking, law and management.
- ⊕ Out of the maximum eight members, half will be judicial members and minimum 50% of the Members will be from SC/ST/OBC/Minorities and women.
- ⊕ The judicial member of the Lokpal either a former Judge of the Supreme Court or a former Chief Justice of a High Court.
- ⊕ The non-judicial member should be an eminent person with impeccable integrity and outstanding ability, having special knowledge and expertise of minimum 25 years in the matters relating to anti-corruption policy, public administration, vigilance, finance including insurance and banking, law and management.
- ⊕ The term of office for Lokpal Chairman and Members is 5 years or till the age of 70 years.
- ⊕ The members are appointed by the president on the recommendation of a Selection Committee.
- ⊕ The selection committee is composed of the Prime Minister who is the Chairperson; Speaker of Lok Sabha, Leader of Opposition in Lok Sabha, Chief Justice of India or a Judge nominated by him/her and One eminent jurist.
- ⊕ For selecting the chairperson and the members, the selection committee constitutes a search panel of at least eight persons.



LIMITATIONS OF LOKPAL

• LIMITATIONS •

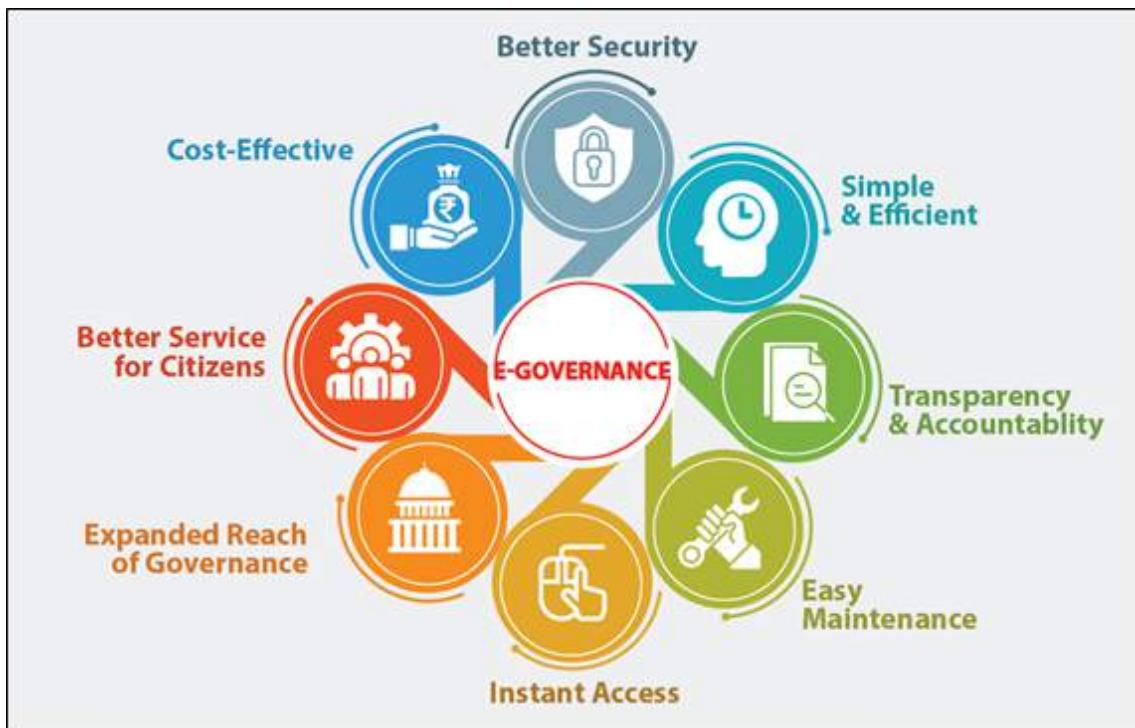
-  Five years have passed since the Lokpal and Lokayuktas Act 2013 was passed by parliament, but not a single Lokpal has been appointed till date indicating the **lack of political will**.
-  The Lokpal act also called upon states to appoint a Lokayukta within a year of its coming to force. But only 16 states have established the Lokayukta.
-  Lokpal is **not free from political influence** as the appointing committee itself consist of members from political parties.
-  The appointment of Lokpal can be manipulated in a way as there is no criterion to decide who is an 'eminent jurist' or 'a person of integrity.'
-  The 2013 act **did not provide concrete immunity to the whistle blowers**. The provision for initiation of inquiry against the complainant if the accused is found innocent will only discourage people from complaining.
-  The biggest lacuna is the **exclusion of judiciary from the ambit of the Lokpal**.
-  The Lokpal is **not given any constitutional backing** and there is no adequate provision for appeal against the Lokpal.
-  The specific details in relation to the appointment of Lokayukta have been left completely on the States.
-  To some extent, the need for functional independence of the CBI has been catered to by a change brought forth in the selection process of its Director, by this Act.
-  The complaint against corruption cannot be registered after a period of seven years from the date on which the offence mentioned in such complaint is alleged to have been committed.

4. e-Governance

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e-Governance can be defined as "an electronic delivery of government services to citizens, business and other external consumers of such services in a reliable, timely and transparent manner, rather than computerization of one"

e-Governance implies use of the Information and Communication Technologies (ICT) to aid the public service delivery. e-Governance is to provide **simple, moral, accountable, responsive and transparent i.e. Smart Government**. The resulting benefits are less corruption, transparency, paperless offices, greater convenience, revenue growth and/or cost effectiveness.



Following are **some of the initiatives by the government** for the same:

1. Social Media

Social media provides avenues to **improve governance**. It provides easy publication and rapid spread of information. By doing so, it creates transparency that can strengthen citizen goodwill towards government. **For citizens**, by embedding government information in social media provides hitherto unimagined access to government and the means to connect in real time. While opening access to government and its officials, **it creates new possibilities for community driven initiatives**. **For government**, it offers the ability to rapidly poll public opinion and perhaps **more importantly, forecast broader, societal trends**.

For example, **Delhi and Bangalore Police** are active on Twitter and Facebook. The Municipal Corporation of Delhi's Facebook page accumulated more than 1500 complaints, most of which were resolved on priority.

2. National e-Governance Plan (NGeP)

The plan seeks to apply ICT for making '**Simple, Moral, Accountable, Responsive and Transparent**' (**SMART**) governance. It takes a holistic view of e-Governance initiatives across the country, integrating them into a collective vision, a shared cause.

3. Government e-Marketplace (GeM):

GeM is a **Special Purpose Vehicle** that aims to enhance transparency, efficiency and speed in public procurement by **facilitating online procurement of common use Goods and Services** required by various Government Departments / Organizations / PSUs. It provides the tools of e-bidding, reverse e-auction and demand aggregation to facilitate the government users achieve the best value for their money.

Lokvani

It is a **public-private partnership e-Governance programme** which has been initiated with the combined efforts of both the district administration as well as the National Informatics Centre.

It is an outstanding example of a **highly cost-efficient, economically self-reliant and user financed community network**. The primary objective of the **IT solution** is to bridge the digital divide and "connect" the common man to the strategy makers in a seamless fashion. Lokvani stands out amongst all other e-Governance projects as it symbolizes the success of the **concept of e-accountability, the next**

step of e- Governance. While other e-Governance efforts are limited to serving the citizens by providing existing services electronically, Lokvani **goes beyond that and makes government functionaries accountable to the citizens**

Student Notes:

The **Transparency International (TI)** has recommended the following to make e-governance more effective like **Computerization** of all the public dealing departments including the Police, Judiciary, transportation and registration of properties, **e-Procurement** in all public procurements and contracts, **replication of 'LokVani'** software for redress of public grievances etc.

5. Other Measures taken to Ensure Probity

5.1. Legislations

- Prevention of Corruption Act, 1988-** This act was enacted as a legal measure against corrupt bureaucrats. It was recently amended in 2018. According to Shri N. Vittal, Former Chief Vigilance Commissioner, the first stage in the dynamics of the rule of law is the framing of effective rules and laws, which are equipped to hinder the ever-rising escalation of the corruption graph. It is in this context that the Prevention of Corruption Act, 1988 becomes highly significant.
- Prohibition of Benami Property Transactions (PBPT) Act 1988 and Benami Transactions (Prohibition) Amendment (BTPA) Act 2016-** The PBPT Act 1988 defines a "benami transaction" as any transaction in which property is transferred to one person for a consideration paid or provided by another person. The BTPA Act 2016 is an improvement over the 1988 Act on several fronts in order to reinforce steps against corruption

5.2. Civil Services Board

In **TSR Subramanian & Ors V/s Union of India Case**, the Supreme court gave directions for setting up of a **Civil Services Board**. The petitioners sought mandatory court injunctions to support the *independence of the various Indian civil services and their freedom from political interference*, by requiring the Union and state governments to implement the recommendations made by several commissions of review (including the **Hota Commission**). The constitution of a Civil Services Board for **overseeing appointments, transfers, postings to senior posts and taking disciplinary actions** against the erring officers is imperative to curb the political interference.

5.3. CVC and CBI

The Central Vigilance Commission (CVC) was established in 1964 pursuant to the recommendations of the Santhanam Committee to advise the government in respect of matters pertaining to **maintenance of integrity in administration**.

The jurisdiction of CVC extended to all public servants and employees of central public-sector undertakings, nationalized banks and autonomous organizations. In **Vineet Narain Versus Union of India case 1997**, Supreme Court directed the government to give CVC a statutory status in order to make it independent, accountable and also insulate it from political control. Consequently, the CVC Act was enacted in 2003.

Another related body i.e. the Central Bureau of Investigation is placed under the supervision of the CVC. The CVC can refer cases **either to the Central Vigilance Officer (CVO)** in each department or to the CBI. The CVC or the CVO **recommends** the action to be taken against a public servant but the **decision** to take any disciplinary action against a civil servant **rests on the department authority**. The **Central Vigilance Commission (CVC)** has also the power to act on complaints from whistle-blowers too

5.4. Whistleblower's Protection

Whistleblowing is the act of exposing a wrongdoing, typically a fraud or an illegality, in a government agency or a private enterprise. Whistleblowers are that rare breed of people who demonstrate exemplary courage, often at tremendous risk to their life and reputation, to unearth serious wrongdoings within their organizations and communities.

Ethical Perspective:

From an ethical perspective, **Whistleblowing brings two moral values, fairness and loyalty, into conflict**. Taken to its extreme from a loyalty perspective, whistle-blowing may involve agonizing conflicts when, **for example**, it involves violating the trust of co-workers who have engaged in wrongdoing or jeopardizing one's "team player" status by going against the prevailing winds in an organization that fosters unethical behavior.

While loyalty as an ethical value should **never be placed above one's ethical obligation to act responsibly and be accountability** for one's actions including reporting wrongdoing in the best interests of the organization and its stakeholders.

The Whistleblowers Protection Act, 2014, provides a mechanism for protecting the identity of whistleblowers. As per the law, any public servant or any other person including NGOs can make public interest disclosure to Central Vigilance Commission related to an act of corruption, misuse of power, or criminal offence by a public servant.

Whistle Blowers Protection (Amendment) Bill, 2015: A new bill has been introduced in the Parliament to amend the current 2014 law to exclude issues of national security, sovereignty, integrity, security or economic interests of the state out of its purview. These provisions have been modeled on the lines of the RTI Act. The Bill has been passed by the Lok Sabha and now lies in the Rajya Sabha.

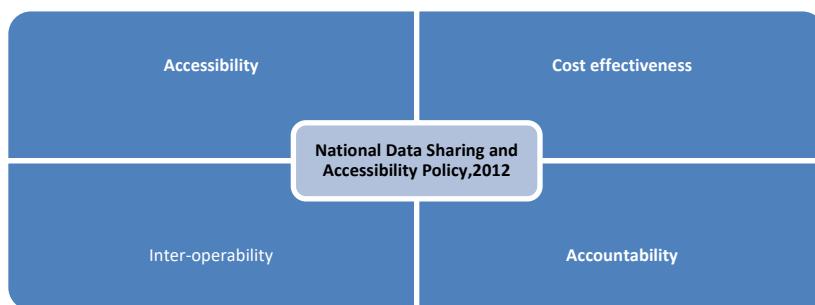
5.5. National Data Sharing and Accessibility Policy, 2012

There are various ministries, organizations and institutions of Government of India, who collect **huge amount of data related to their respective fields using public funds**. Most of the times, this data is not accessible to the civil society. However, the data collected or developed through public investments, when made publicly available, **their potential value could be more fully realized**, and it could enable rational debate, better decision making and use, in meeting civil society needs. **It is for this reason that NDSAP policy was formulated by government of India.**

Objective

It aims to empower citizens to access information owned by the Government in **human- as well as machine-readable forms**, permitting wider accessibility and use of public data and information, keeping in view the broad guidelines delineated in the RTI Act, 2005. The policy is applicable to all sharable, non-sensitive data, generated using public funds by ministries, departments, subordinate offices, organizations and agencies of the Government of India.

Benefits



Data and information facilitate making important decisions without incurring repetitive costs. Ready access to existing valuable data is **essential for many decision-making tasks such as**

protecting the environment, development planning, managing assets, improving living conditions, national security and controlling disasters.

Student Notes:

Transparency and accountability-related themes are now being increasingly adopted across states in programs like **Guaranteed Services Delivery Act** wherein any delay in service delivery by a Government official beyond the specified time limit is penalized. This is similar to the provision in the RTI Act and has been adopted in states like **Delhi, Rajasthan, Bihar and Madhya Pradesh**.

5.6. Miscellaneous initiatives

- **PRAGATI**, which is a **multi-purpose, multi-modal platform for Pro-Active Governance and Timely Implementation**. PRAGATI is a **unique integrating and interactive platform**. The platform is aimed at **addressing common man's grievances, and simultaneously monitoring and reviewing important programmes and projects of the Government of India as well as projects flagged by State Governments**. It is also an **innovative project in e-governance and good governance**.
- **Performance Management Division**- The Central Government started this division to **track and incentivize improved outcomes of government decisions**. It lays down clear guidelines for officials in all ministries for tracking performance, based on results. The tendency to delay decision-making needs to be curbed leading to faster resolution. This will help every decision to reach its logical conclusion much faster

6. Other Suggestions for improving Probity in Governance

6.1. Integrity Pact

Integrity Pacts are essentially **an agreement between the government agency offering a contract and the companies bidding for it that they will abstain from bribery, collusion, extortion and other corrupt practices for the extent of the contract**.

Ethical Perspective of Integrity Facts in governance:

- To ensure accountability, Integrity Facts also include a **monitoring system, typically led by the civil society organizations**.
- It **levels the playing field** in public procurement processes, boosting fair competition and innovation thus ensuring **transparency in allotment of public funds**
- Smooth procurement process means projects are likely to **start and end on schedule** and thus play an important role in **ensuring proper utilization of public funds**
- Public works contracts are more likely to be awarded to the bidder offering the **best value for money**.
- It **empowers civil society**, as the independent external expert monitor, in its contribution to the integrity of public procurement processes.

It pinpoints to systemic anomalies in a given contracting authority's functioning mode which, if corrected, will result in considerable **improvement of future procurement processes**.

6.2. Legislation to Check Misfeasance in Public Office

Misfeasance means a **wrongful performance of a normally lawful act**. Civil servants enjoy discretionary powers allotting housing to the homeless, making policies for distribution of natural resources like minerals and granting permissions for businesses like petrol pumps etc.

However, it is often being observed that the public servants **use such discretion for their own personal gains**. All such acts result in a loss to the state and our constitutional dream of an egalitarian society and socio-economic justice can never be achieved if this behaviour is not curbed.

However, in many cases of misfeasance it is been argued that it is not permissible for the Supreme Court “to direct the government to pay the exemplary damages to itself”, on the footing that a Minister of the government is part of the Government and therefore the Government **cannot be directed** to pay damages to itself.

Student Notes:

As suggested by the NCRWC, in such a situation:

- **there is a need for a comprehensive law that makes the public servants liable for the losses made to the State by their mala fide actions** or omissions of a palpable character, so defined by the law, and they should be asked to make good the loss so caused and,
- In addition, would be **open to the imposition of exemplary damages**. The principles must include cases of misuse of official position and acts outside authority.
- The expression ‘**public servant**’ must be extended to ‘**all public servants as defined in the Indian Penal Code and in the Prevention of Corruption Act, 1988**, which expression has been interpreted to include Members of Parliament, Members of State Legislatures and Councils and Ministers.

**Note that – ‘Causing loss’ and then calculating loss is a complex subject. As it is based on hindsight, this might inhibit decision making. Defence purchases are an example where both the situations of bribery/large scale corruption as well as delayed decision making for the fear of allegations of corruption exist.

6.3. Legislation for Confiscation of Illegally acquired Assets of the Public Servants

There is an absolute necessity to enact a law providing for forfeiture of properties acquired by holders of ‘public office’ (including the offices/posts in the public sector corporations) by indulging in corrupt and illegal acts and deals, in the present state of our country.

In-fact, Law Commission of India submitted its 166th Report on “the Corrupt Public Servants (Forfeiture of Property) Bill” recommending to the Central Government to introduce a Bill in Parliament for forfeiture of illegally acquired properties of corrupt public servants. However, the government has still not taken any steps in the desired direction.

6.4. Legislation for Ethics in Government

On the similar lines of best practices as in the case of the USA, a similar provision could be put in place in India to promote better accountability and curb the problem of corruption. As such we have Civil Services Conduct Rules. Giving these rules statutory status in the form of Ethics Act would ensure better implementation.

Still, having a legislation does not guarantee compliance. Those unwilling will always find ways to bypass the law.

ARC ON CODE OF ETHICS FOR CIVIL SERVANTS

The 2nd ARC has suggested the inclusion of the following principles in the code of ethics for civil servants in India. Those are as follows:

The diagram illustrates the seven principles of the ARC on Code of Ethics for Civil Servants. Each principle is represented by a circular icon with a corresponding text label:

- Integrity (Icon: Person with shield)
- Impartiality (Icon: Scales of justice)
- Commitment to Public service (Icon: Handshake)
- Open accountability (Icon: Bar chart)
- Devotion to duty (Icon: Gear and wrench)
- Exemplary Behavior (Icon: Head with gears)

A large silhouette of a person's head is shown on the right side of the slide, with thought bubbles above it, symbolizing reflection or contemplation.

6.5. Strengthening of criminal judicial system

Student Notes:

Merely having laws is not sufficient, rather there should be **fear of law i.e. the cost of violation should be prohibitive enough to discourage the breach of law.** *Strengthening judicial system is one of the most important requisites for ensuring probity in governance.* The criminal judicial system consists of the police/investigating agency, the prosecuting agency, the advocates, witnesses and finally the judiciary.

Access to justice is based upon the principle that people should be able to rely upon the correct application of law and the implementing agencies do their jobs with utmost integrity.

What we need today is a transparent mechanism to deal with such a menace and out of the box inventions in the wake of judicial activism. Public Interest Litigation and community-based policing (as in US, UK) are some methods.

7. Way Forward

Probity helps in ushering good governance which not only leads to effective use of public resources but will also lead to higher socio-economic growth and human development. Thus, it is very necessary to take initiatives, enact strong legislations and ensure their effective implementation to inculcate a culture of probity in governance.

Our former PM, **Shri Manmohan Singh** emphasized the importance of ethics in governance and said, *"As a society, we must evolve to a level where probity becomes a way of life, where honesty is a routine expectation. If we have integrity, then nothing else matters, if we don't have integrity then also nothing else matters. I firmly believe that we must set personal standards of integrity as public servants and the message should flow from the top downwards and not the other way round. The values of integrity, impartiality and merit remain the guiding principles of our civil services."*

There is a **need for clear demarcation of responsibilities between the political executive and civil services within the framework of 'collective responsibility' in parliamentary democracy.** It simply means that once a decision has been taken by a ministry, then the leader i.e. the minister must be held responsible for it. Nothing paralyses civil services more than the possibility that every decision taken can be called into question later and viewed as a case of criminal conspiracy. The responsibility of misdeed must be established quickly and the guilty slapped with exemplary punishment.

8. Work Culture

8.1. Definition and Overview

Work culture refers to the way in which rules/regulations, policies, traditions/rituals, shared values, beliefs and practices contribute to the unique social and psychological environment in an organization. It not only guides the way employees interact with each other and the organization but also directs the functioning of the organization

Workplace culture is the environment that you create for your employees. It plays a powerful role in determining their work satisfaction, relationships and progression. It is the mix of your organization's leadership, values, traditions, beliefs, interactions, behaviors and attitudes that contribute to the emotional and relational environment of your workplace. These factors are generally unspoken and unwritten rules that help to form bonds between your colleagues.

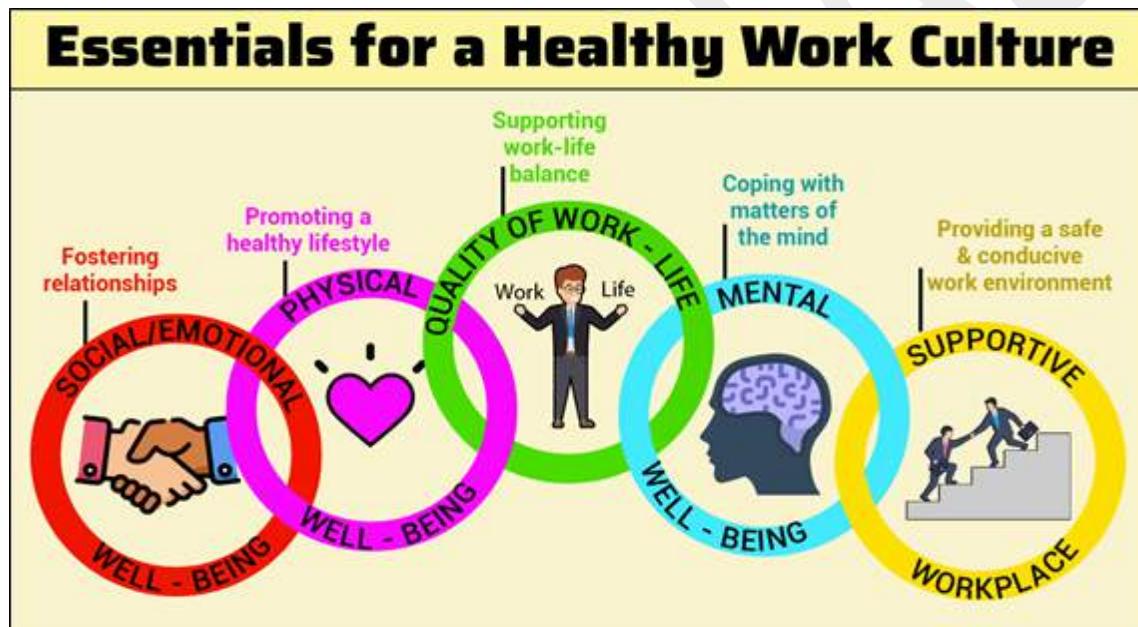
8.2. Potential of healthy work culture

- **Attracts and keeps talented staff:** When you spend more time per week at work than at home, it's natural to want to work in an environment you enjoy spending time in. In a study from the Deloitte Global Human Capital Trends 2015, 'culture and engagement' was the

highest priority on the corporate agenda and companies with the strongest cultures were much more able to attract and keep talent.

Student Notes:

- **Drives engagement and retention:** A good workplace culture is proven to keep your employees engaged in their work. It'll allow your employees to better understand what is expected of them and how they can achieve their professional goals. This will then allow you to keep them on board for longer.
- **Creates an environment for healthy development:** A good workplace culture provides everyone with the opportunity to initiate change and to grow on a professional and personal aspect. It also promotes openness and encourages your employees to voice their opinions and chase after the values they believe in.
- **Creates satisfied employees and increases productivity:** A healthy workplace culture will make your employees feel happy to come to work day-in and day-out. A happy work environment increases your employees' concentration; thus, this leads to increases in their productivity levels.
- **Drives financial performance:** 92% of leaders from successful companies believe that workplace culture and financial performance are closely interrelated. Workplace culture directly influences the way your employees perform, which subsequently has a direct impact on your business' financial profit.



8.3. Significance of Ethical Work Culture:

An ethical work culture is significant for an organization due to following reasons:

- **Good ethics is synonymous with good business** since it creates and sustains the reputation and market value of the organisation.
- It ensures **higher employee job satisfaction**, increased attraction of high potential employees and is helpful in having open and honest communication.
- It promotes **trust in the workplace, organizational commitment and cooperation** towards stated objectives.
- **Ethical conduct in the workplace** encourages a culture of making decisions based on ethics.
- It enhances **accountability and transparency** when undertaking any business decision. During turbulent times, a strong ethical culture guides an employee in managing such conflicts by taking the right measures.
- It increases **legal compliance and rule-following** and thus lowers regulatory risk.
- **Unethical work culture can lead to corporate bankruptcies** and frauds. For example- Enron, Lehman Brothers, Satyam etc.

8.4. Traits of a healthy work culture for bureaucracy:

Student Notes:

- **Administrative hierarchy:** There should be a clear-cut division of work wherein each level assigns responsibilities to the level beneath it, while each lower level is accountable to the level above for fulfilling those assignments.
- **Rules and Procedures:** Decisions taken by bureaucrats should be governed by a consistent system of rules, regulations and procedures, which are written, rational and impersonal.
- **Communication and consultation:** Bureaucratic structure should ensure free flow of information among all departments and levels in the organization horizontally as well as vertically on a regular basis.
- **Process simplification:** By bringing about regular changes in forms, process and statutes, healthy work culture aims towards ensuring rationality and simplicity in day-to-day processes. For e.g. adoption of web based single window clearance systems.
- **Inclusiveness:** Work culture should be able to inspire and motivate people coming from different cultural backgrounds for achieving organization goals seamlessly through dedicated effort.
- **Responsiveness on social media:** Besides ensuring transparency, social media engagement helps amplify government's work in the public domain, thus bringing governance closer to the people.
- **E-bureaucracy:** Bureaucratic work culture should be flexible enough to accommodate upcoming digital technologies for improving efficiency and decision-making capabilities.

Work Culture in times of Work from Home

The recent Coronavirus (COVID-19) outbreak has forced various organizations to enable work from home. This may result in alteration of prevalent work culture of an organization.

Does work from home disturb the current setup?: Yes

- **Colleagues and teams being siloed from each other:** Working from home can create a scenario where teams interact in a small group or not at all, this communication gap can weaken the work culture significantly.
- **Feelings of isolation among remote employees:** Working from home can create anxiety among employees if they lack clarity on what is expected of them.
- **Enthusiasm about building and growing a business is harder to foster.** This is because employees may start viewing the relationship with the organization as transactional and hence are less passionate about its vision.
- It is difficult to achieve the **level of trust, connection and mutual purpose** when working from home vis-à-vis working from an office.

But is work from home completely bad for work culture?: No

- **Lesser distractions and increased productivity:** Studies have shown that concentration levels are higher when people are allowed to work from home and productivity may also increase because of a more flexible environment, no commute time, better work-life balance and relatively more relaxed state of mind.
- **Telecommunication:** Communication with wider number of teammates is possible through internet-based video/mail services which may not be possible even in physical setting. For example: coordination among employees in different cities and flexibility in team formation.
- **Bigger talent pool:** Employers can hire the best of the best talent while not limiting themselves by geographical restrictions. This can reinforce positive work culture i.e. work culture based on achievement orientation and hard work.
- **Higher Retention:** above reasons will facilitate better job satisfaction resulting into more dedication and responsibility. Making Work from homework.

Way Forward

- **Clear expectations for every employee:** Employees who understand responsibilities and deadlines can work to exceed them, while avoiding the anxiety of wondering where they stand with their team and manager.

- **Clear schedule and regular check-ins:** Maintaining a clear and consistent schedule ensures professionalism and maintains discipline in work from home.
- **Personal touch:** Regularly checking on employee's well-being does not let the bond between employee and organization weaken.
- **Using technology to simulate reality as far as possible:** Ideas like video-conferencing, shared work platforms and instant messaging keeps the work flow stimulated.
- **Engage and coach your remote employee:** Work from home cannot have a one-size-fits-all template for all organizations. So, the employees need to be mentored on the dos and don'ts to realize its benefits.

Student Notes:

8.5. Ways to imbibe an ethical work culture:

8.5.1. General strategies

- **Explicit core values:** Strategies and practices should be anchored to clearly stated principles that can be widely shared within the organization, thus reinforcing broader ethical work systems.
- **Well-crafted mission statement:** A simple, short, actionable, and emotionally resonant mission statement should be created to enable employees to easily see how ethical principles influence a company's practices and deeply embed these principles throughout the organization.
- **Communicate clear expectations of good ethics:** A code of ethics or code of conduct clearly outlining the organization's primary values and ethical rules should be conveyed.
- **Putting ethics at the center:** Organizations should try to create contexts that keep ethical principles on top of mind, reward ethics through formal and informal incentives and opportunities, and weave ethics into day-to-day behaviour.
- **Cultural norms and role of leaders:** Leadership at the top as well as middle level is very important as ethical behaviour almost always starts at the top and trickles down. Leaders have to lead by examples and motivate by highlighting the good things employees are doing.
- **Training and mentoring:** A formal ethics training programme should be conducted to ensure executives and managers have the skill to build and maintain an ethical culture and resolve situations of ethical dilemmas.
- **Feedback Mechanism:** Organizations should ensure they have a clear feedback mechanism in which employees can report unethical behaviour in the workplace.

8.5.2. Specific strategies

- Ensure effective implementation of instruments like **Citizen Charter** to make administration more citizen-centric.
- Increase **adoption of information technology** and rationalize the procedures to ensure speedy and quality delivery of public services.
- Measures such as **biometric attendance, timely reporting in office and meetings, regular feedback and updates**, etc. can help develop a healthy work culture and increase productivity.
- Strengthen **the internal accountability mechanism** and enhance people's participation to hold public authorities accountable.
- Amend laws and rules to maintain an optimum balance between transparency and secrecy like the **Official Secrets Act**, etc.
- Show zero tolerance against corruption by creating strong laws and independent anti-corruption bodies like Lokpal and Lokayukta.
- Introduce changes in the training processes and enable public authorities to work in new ways.
- Eliminate political interference to ensure the neutrality of public officials.

- Provide adequate protection against misuse of legal instruments like RTI Act, SC/ST Atrocities Act, etc.
- The need of the hour is to create an enabling work environment for effective accountability and performance, attract and retain talent, enhance and develop competencies and promote ethical work environment, which would surely help in meeting the objectives of good governance.

Student Notes:

Ethical work culture is not just a moral requirement for organizations, it also provides a competitive edge to those organizations and hence it should be adopted and promoted.

9. Public Service Delivery

9.1. Definition and Overview

Citizens in low income democracies depend, **to a large extent, on the state for the provision of basic services either due to absence of a market for these services or poverty**. Research suggests that the **quality of public services affects economic growth via its impact on poverty alleviation, human capital formation and corruption**. There is near consensus, however, that India has had limited success in reducing poverty and enhancing human capital **in spite of myriad programs** that provide free or heavily subsidized essential services to its citizens.

It is believed that **incentives, transparency and state capacity as the key challenges to reducing the governance deficit in India**. In this regard, enhanced quality of public service emphasizes on building state capacity to implement and monitor public programs, rewarding performance of civil servants and providing information to stakeholders as key policies that can be implemented, and scaled up, to spur economic growth.

It is the mechanism through which public services are delivered to the public by local, municipal, or federal governments. Sewage and trash disposal, street cleaning, public education, and health services are some of the examples of public services.

9.2. Importance of Public Service Delivery

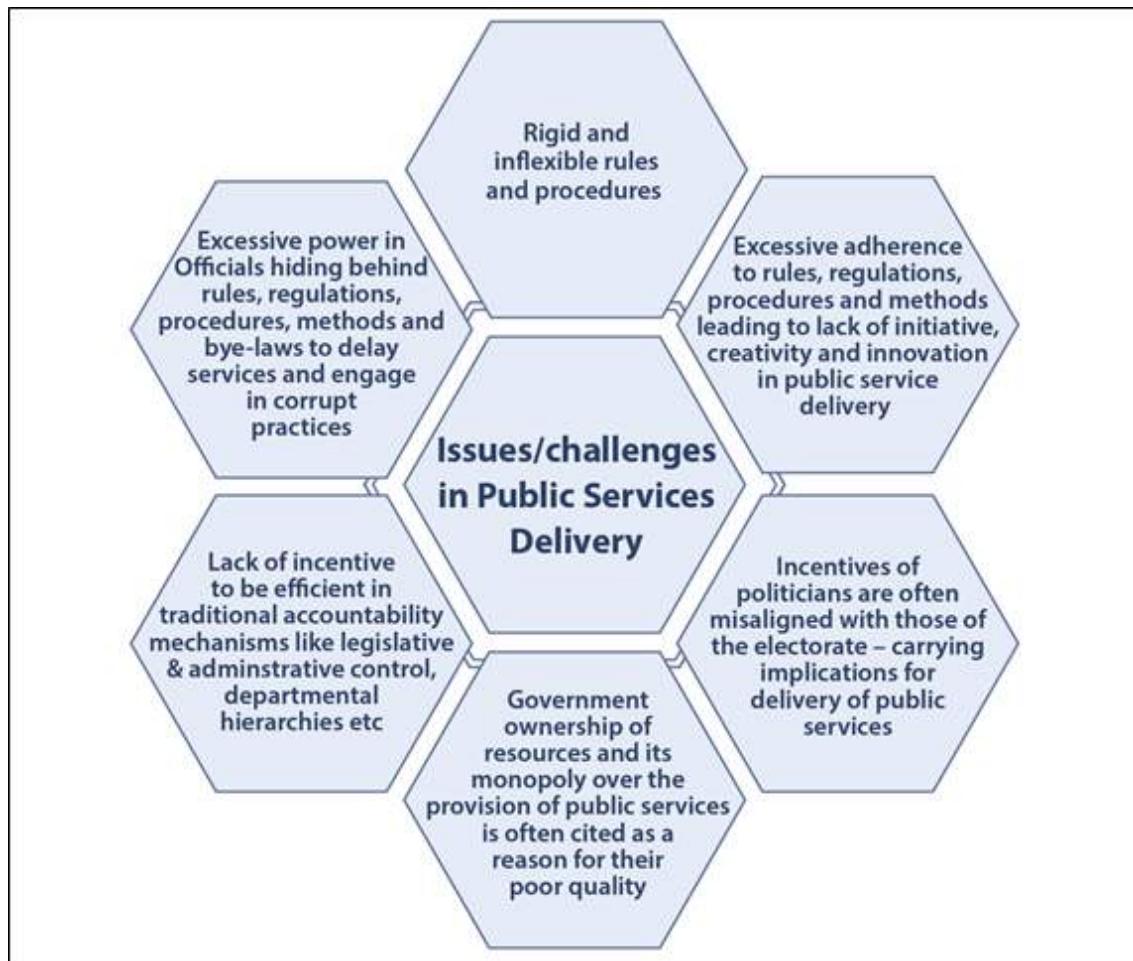
There are several pathways through which governance and the quality of public services can impact a country's economic growth.

Objectives:

- The overarching objective of public provision of free or subsidized services is to deliver social protection to the poor and vulnerable and to alleviate poverty. The quality of governance, thus, has direct implications for economic growth. Thus, the **effective delivery of public programs is likely to have a direct impact on growth via poverty reduction**.
- Often the **aim of public service provision is to reduce inequitable distribution of resources and correct historical inequities**, such as caste-based discrimination and gender inequities.
- **Targeted delivery of public services, thus, have the potential to reduce economic inequalities** which have been rising in rapidly growing economies, such as China and India, over the last few decades.
- The apparent path **through which public services impact growth** is via improvements in **human capital**. It is undisputed that human capital has a causal impact on economic growth.
- Finally, often governance deficit arises due to high levels of corruption in the delivery of public services in low income economies.

9.3. Challenges and Issues in Public Service Delivery

Student Notes:



9.4. Mechanisms for Effective Public Service Delivery:

It should be remembered that the main motto of a public department in a welfare state is to render services to the citizens. The role of rules, regulations and procedures is to act as a lighthouse and ensure effective public service delivery.

Some of the mechanisms that can be adopted for effective and improved Public service delivery is as follows:

- Inculcation of Public Service Ethos in the institutions and individuals:** More importantly the public service ethos ingrained in the training modules (values like **compassion, empathy** etc.) and **character-building exercises** with continuous aptitude to revise and learn, adapt to changing dynamics of the requirements of the society is the key to successful public service delivery.
- Social Accountability must complement the Traditional Accountability Process:** It has been well established that social accountability mechanisms can contribute to **improved governance, accelerate development, and create effectiveness through better service delivery and empowerment**. This will result in more incentivizing effectiveness and efficiency in public service delivery.



Successful cases of Public delivery system through social accountability mechanisms

Participatory Budget Analysis (Gujarat)

- ★ The state of Gujarat hosts almost a tenth of India's 80 million tribal people. Despite official rhetoric of significant investment in tribal development projects, results on the ground were questionable.
- ★ This prompted DISHA (Development Initiatives for Social and Human Action) to get into the business of budget analysis in 1992 to ascertain what actually was happening to funds allotted in the name of the tribals under the Tribal Area Sub-plan.
- ★ Described as an attempt at "**democratizing the budget process**", DISHA obtains budget documents, reviews and disaggregates departmental allocations for different beneficiaries, researches the discrepancy between proposed and actual spending, and prepares briefs on synthesized findings for informed public debates.



Community Scorecards (Malawi, Maharashtra, Andhra Pradesh)

- ★ The Community Score Card (CSC) process is a powerful tool to monitor services, empower citizens, and improve the accountability of service providers.
- ★ The scoring exercises provide citizens the opportunity to analyse services such as health services or education based on their personal perceptions.
- ★ Citizens can provide encouragement for good work or express dissatisfaction. In a common collaboration between rights holders and duty bearers, the provision of services can sustainably change for the better.

Phase I: Planning and Preparation

Phase II: Conducting the Score Card with the Community

Phase III: Conducting the Score Card with Service Providers

Phase IV: Interface Meeting and Action Planning



Repeat cycle

Phase V: Action Plan Implementation and Monitoring

Participatory Planning and Policy Formulation (Kerala, Brazil, Bangladesh)

- ★ It is a process of democratic deliberation and decision-making, in which ordinary people decide how to allocate part of a municipal or public budget.
- ★ It allows citizens to identify, discuss, and prioritize public spending projects, and gives them the power to make real decisions about how money is spent.



DESIGN THE PROCESS

A steering committee that represents the community creates the rules and engagement plan.



BRAINSTORM IDEAS

Through meetings and online tools, residents share and discuss ideas for projects.



DEVELOP PROPOSALS

Volunteer "budget delegates" develop the ideas into feasible Proposals.



VOTE

Residents vote on the proposals that most serve the community's needs.



FUND WINNING PROJECT

The government or institution funds and implements the winning ideas.

- **Rights-based approach in improving public service delivery:** In sum, a rights-based approach to development explicitly focuses on the attainment of minimum conditions for living with dignity. In this way, the approach lays the groundwork for state accountability and action as well as citizen participation and transparency.
 - **Constitutional status to PRIs** (grassroots, participative democracy)
 - Adoption of **Right to Information** (extracting transparency and accountability), **Right to Education** (to build human capital), **Right to Food** (through National Food Security Act), Formulating a **National Health Mission**, etc.

- Adoption of **Right to Public Service Acts** by many States to give timely delivery of services to people.
- Model **Social audit mechanisms of Andhra Pradesh and Meghalaya**
- **Periodic review of procedures, methods, rules and regulations:** Rigid and inflexible rules and procedures have no place in a fast-changing environment. Instead they should constantly evolve, keeping in mind the end goal of the administration and the state. Periodic review of procedures, methods, rules and regulations would go a long way by removing barriers and reformulation of acceptable practices for expeditious service delivery.
- **Privatization and outsourcing for better service delivery:** Advocates of privatization believe that privatization improves efficiency and quality of government services. Also, the **profit-seeking behaviour** of private sector managers lead to cost cutting, deployment of better technology and greater attention to customer satisfaction.

Over the years, state and local government has also adopted privatization and outsourcing as a tool to balance their **budgets**, increase **revenue** and maintain quality **public service**.

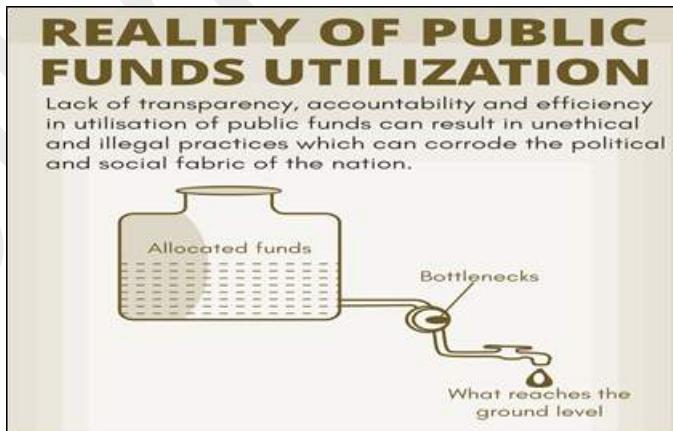
Public service ethos ingrained in the bottom up, demand driven approach would then ensure that grass root problems are effectively addressed. This will further **facilitate to bring in transparency, time bound service delivery, public participation at the stages of policy formulation, implementation and review**, increased prudence, improving last mile outreach and bring a change in the attitude of bureaucracy.

10. Public Utilization of Funds

The capacity of government to deliver its political programme, strengthen the economy ensure security and the **rule of law**, and preserve social cohesion, depends not just on the funds at its disposal, but how they are used.

Public fund is money that is generated by the government to provide goods and services to the general public. It is held by the government as a custodian and not an owner. Judicious and effective utilization of public funds is very crucial for development as well as providing minimal essential services in a developing democracy like India.

However, it is very often seen that public funds are subjected to inefficient utilization, diversions, etc. owing to factors such as **corruption exacerbated by political-bureaucratic nexus**. Thus, in order to utilize public funds efficiently, the virtues of transparency, accountability and efficiency are significant in countries like India.



10.1. Issues associated with Utilization of Public Funds

Lack of transparency, accountability and efficiency in utilization of public funds can result in unethical and illegal practices which can corrode the political and social fabric of the nation.

There are many ethical issues associated with utilization of public fund in India, for example:

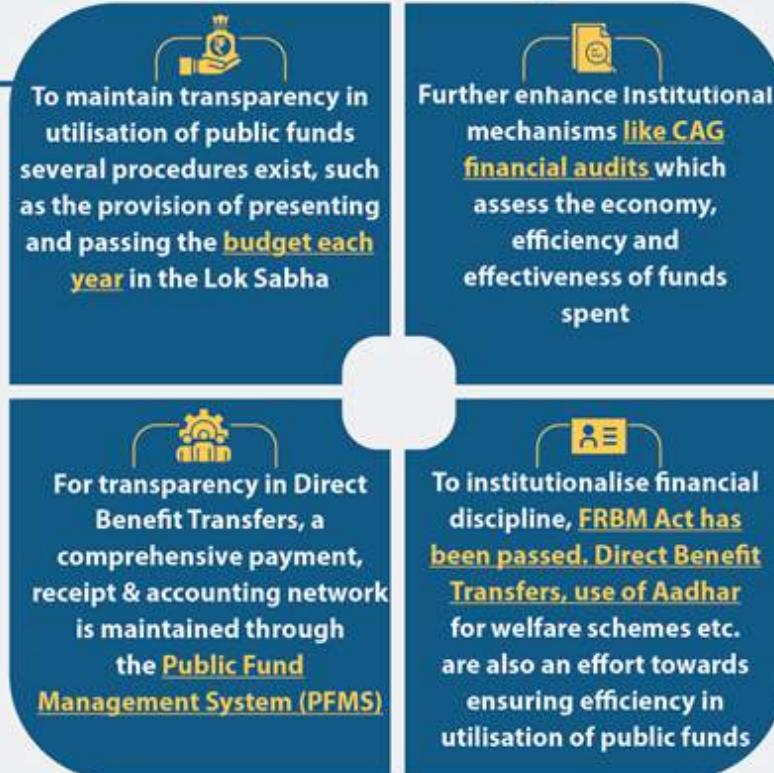
- **Misuse of public fund for political purposes:** Given the **volume of public funds**, they are particularly vulnerable to conflicts of interest, **favoritism, bribery and other forms of unethical behavior and corruption**, especially where risk management and control

mechanisms are inadequate. For example, recently, there were **allegations of misuse of public funds for political advertisements** against a few state governments.

- **Flow of Funds:** Ensuring a **smooth flow of funds** under any scheme is absolutely essential for **their proper utilization**. However, many a times, there is **too little delegation in the system creating bottlenecks in the flow of funds**, which impacts the effectiveness of the scheme and utilization of available funds, defeating the objectives to varying extents. Also, given the **sheer volume of the job**, and the details that have to be gone into, there is a **high probability of a trade-off between doing a job well and doing so within a reasonable period of time**.

Student Notes:

Existing framework employed in India for effective utilization of public funds



10.2. Way Forward: Strategies for better utilization of public funds

An open and transparent utilization of public funds **fosters trust in society** that people's views and interests are respected and that public money is used well.

The following strategies can be employed to further enhance effective utilization of Public funds:

- **Continuously Update and Institutionalize processes:** Officials should *focus on the relevance, efficiency, effectiveness and impact of public spending, and the durability of outcomes* that are being purchased with public money.
- **Bringing in transparency and value for public money:** *E-governance tools* should be applied on a larger scale. This will ensure both efficiency and accountability. Moving towards **end-to-end e-Procurement and administrative simplification**.
- **More awareness in the citizenry:** Similarly, more awareness regarding RTI among people is required to have accountability in the utilization of public funds.

- **Adopting effective Institutional mechanisms across sectors:** Emulating good practices like CAG financial audits, DBTs, Social Audits, adherence to FRBM Act, PFMS etc. which assess the economy, efficiency and effectiveness of funds spent.
- **Making regularity and propriety fundamental:** Regularity refers to being compliant with the relevant legislation while propriety implies meeting high standards of public conduct in context to the right use of public funds
- **Ethics training as a valuable tool:** This will help officials uphold public service ethos and tendencies of pursuing personal, private or political agendas by misuse of public funds will be reduced.

Student Notes:

Laos Public Financial Management:

Case study on Better utilization of Public Funds



What is PFM?

It relates to the way governments manage public funds and the impacts on the growth of the economy and the wellbeing of citizens.

How is Laos doing differently?

In modern PFM systems, Budget Execution is done through an IT system called Financial Management Information System (FMIS). Lao PDR is currently upgrading to a modern FMIS with funding from the World Bank. With the new FMIS system, reporting and auditing will become easier, faster, and more transparent.

Success:

Ultimately, an improved PFM system has benefitted all Lao citizens and provides them with more information on how the national budget is used. Strong management of public finances means more effective and equitable delivery of public services to all Lao people including education, healthcare, energy, and law enforcement.

11. Conclusion

To sum up it would not be wrong to say that **Public information belongs to the public and the public's business should be done in public**. Also, it has to be ensured that **Public functionaries be allowed to function in a free environment without fear of being prosecuted for their decisions taken in good-faith in public interest**.

Relevant, timely, and accurate information is a critical element to achieve public good and is essential for a well-functioning democracy. All of the strategies discussed above seek to improve governance through greater democratic participation and civic engagement. As

stewards of our democracy, government leaders must facilitate better access and use of information and the means for interpretation to enhance the common good.

Student Notes:

Open government initiatives offer an exciting step forward to make it easier for the public to know what governments are doing, participate in the decision-making process and fully engage in the civic life of their communities. **ICT and Internet will continue to enhance these critical elements of our information democracy as more citizens become informed and equipped to participate fully in the formation of public policy along with several other accountability measures.**

The reluctance of government officials, an inadequate framework of financial independence and a general lack of awareness among citizens are the oft-quoted reasons for hampering effective participation of civil society in planning and decision-making.

However, there is always a silver lining and the people have started asserting their right and taking responsibility for their community and nation more assertively, forcing governments to listen to their voices and act in accordance to that.

12. Previous Years UPSC GS Mains Questions

- Some recent developments such as introduction of RTI Act, media and judicial activism, etc., are proving helpful in bringing about greater transparency and accountability in the functioning of the government. However, it is also being observed that at times the mechanisms are misused. Another negative effect is that the officers are now afraid to take prompt decisions. Analyze this situation in detail and suggest how this dichotomy can be resolved. Suggest how these negative impacts can be minimized. **(2015)**
- Today we find that in spite of various measures like prescribing codes of conduct, setting up vigilance cells/commissions, RTI, active media and strengthening of legal mechanisms, corrupt practices are not coming under control. A) Evaluate the effectiveness of these measures with justifications. B) Suggest more effective strategies to tackle this menace. **(2015)**
- Discipline generally implies following the order and subordination. However, it may be counter-productive for the organisation. **(2017)**
- "The Right to Information Act is not all about citizens' empowerment alone, it essentially redefines the concept of accountability. Discuss. **(2018)**
- Explain the basic principles of citizens' charter movement and bring out its importance. **(2019)**
- There is a view that the official secrets act is an obstacle to the implementation of Rights to Information act. Do you agree with the view? Discuss. **(2019)**

13. Previous Years UPSC Mains Questions: Case Studies

1. You are a Public Information Officer (PIO) in a government department. You are aware that the RTI Act 2005 envisages transparency and accountability in administration. The act has functioned as a check on the supposedly arbitrarily administrative behaviour and actions. However, as a PIO you have observed that there are citizens who filed RTI applications not for themselves but on behalf of such stakeholders who purportedly want to have access to information to further their own interests. At the same time there are these RTI activists who routinely file RTI applications and attempt to extort money from the decision makers. This type of RTI activism has affected the functioning of the administration adversely and also possibly jeopardizes the genuineness of the applications which are essentially aimed at getting justice. What measures would you suggest to separate genuine and non-genuine applications? Give merits and demerits of your suggestions.

2. As a senior officer in the Finance Ministry, you have access to some confidential and crucial information about policy decisions that the Government is about to announce. These decisions are likely to have far-reaching impact on the housing and construction industry. If the builders have access to this information beforehand, they can make huge profits. One of the builders has done a lot of quality work for the Government and is known to be close to your immediate superior, who asks you to disclose this information to the said builder.
- (a) What are the options available to you?
- (b) Evaluate of these options and choose the option which you would adopt, giving reasons.
3. A Public Information Officer has received an application under RTI Act. Having gathered the information, the PIO discovers that the information pertains to some of the decisions taken by him, which were found to be not altogether right. There were other employees also who party to these decisions. Disclosure of the information is likely to lead to disciplinary action with possibility of punishment against him as well as some of his colleagues. Non-disclosure or part disclosure or camouflaged disclosure of information will result into lesser punishment or no punishment.

The PIO is otherwise an honest and conscientious person but this particular decision, on which the RTI application has been filed, turned out to be wrong. He comes to you for advice.

The following are some suggested options. Please evaluate the merits and demerits of each of the options:

- (a) The PIO could refer the matter to his superior officer and seek his advice and act strictly in accordance with the advice, even though he is not completely in agreement with the advice of the superior.
- (b) The PIO could proceed on leave and leave the matter to be dealt by his successor in office or request for transfer of the application to another PIO.
- (c) The PIO could weigh the consequences of disclosing the information truthfully, including the effect on his career, and reply in a manner that would not place him or his career in jeopardy, but at the same time a little compromise can be made on the contents of the information.
- (d) The PIO could consult his other colleagues who are party to the decision and take action as per their advice.

Also, please indicate (without necessarily restricting to the above options) what you would like to advise, giving proper reasons.

4. Edward Snowden, a computer expert and former CIA administrator, released confidential Government documents to the press about the existence of Government surveillance programmes. According to many legal experts and the US Government, his actions violated the Espionage act of 1917, which identified the leak of State secrets as an act of treason. Yet, despite the fact that he broke the law, Snowden argued that he had a moral obligation to act. He gave a justification for his “whistle blowing” by stating that he had a duty “to inform the public as to that which is done in there name and that which is done against them.”

According to Snowden, the Government’s violation of privacy had to be exposed regardless of legality since more substantive issues of social action and public morality were involved here. Many agreed with Snowden. Few argued that he broke the law and compromised national security, for which he should be held accountable.

Do you agree that Snowden’s actions were ethically justified even if legally prohibited? Why or why not? Make an argument by weighing the competing values in this case

14. Previous Years Vision IAS GS Mains Questions

Student Notes:

1. *In framing a government, which is to be administered by men over men, the greatest difficulty lies firstly in enabling the government to control the governed; and in the next place to oblige it to control itself. Comment w.r.t. accountability of public service in India.*

Approach:

The answer first needs to elaborate on the statement, which talks about the complex and complicated environment in which the public administrators have to work. The next part should focus on the obligation of the government to control itself. The concept of internal accountability should be clearly highlighted. Illustrate above points with examples.

Answer:

If men were angels, no government would be necessary. If angels were to govern men neither external controls on government would be necessary. Dependence on the people is no doubt the primary control on the government but experience has taught mankind the necessity of auxiliary precautions. Therefore, it is the duty of the government to create such structures, institutions and procedures to which can ensure effective law and order in the society.

On the other hand, the challenges of discretion and accountability are real for any government to deal with. While in India, there are notions of vertical and horizontal accountability inbuilt along with the internal and external mechanisms to curb the powers of the administrative state, their operation in the last 60 years has shown that most of the mechanisms have been breached rather than being followed.

In the current era, though the external accountability mechanisms such as social audit and citizen charter have become the norm because of an informed citizenry and vibrant participation by the civil society, yet the internal accountability mechanisms such as performance appraisal lack objectivity and motivation to act as an instrument of ensuring responsibility. e.g Institutions internal vigilance committees have been constituted for the purpose of checking the abuse of power, yet they are marred by the same rules and procedures and ensuring accountability seems like of a distant dream.

Scams and scandals such as fodder scam, 2G scam, and the recent coal scam talks vehemently, not only about the lack of the institutional mechanisms to check such acts but also the wider apathy towards practice of ethics in real life.

The solution lies in inculcating the values in the society as the government is a wider reflection of the society in a democracy. Unless the citizens' own moral code prevents them from debasing by procuring corruption of public servants, the problem of corruption and morality in the public life will continue to exist. It must be recognized that the onus for good government is not just on those in the public service, but it is on every citizen.

2. *Ensuring accountability in the administration just adds another layer in the bureaucratic process. Examine. Differentiate between accountability and responsibility. Suggest some measures through which administrative accountability can be made more effective in India.*

Approach:

- Give the definition of accountability. Discuss the reasoning behind the assertion given.

- Differentiate with responsibility in administrative and moral terms.
- Mention some recommendations from ARC to make administration more accountable.

Student Notes:

Answer:

Accountability means to take ownership of the outcomes of an action and address the issues arising out of it fairly and promptly. Thus, it involves two parts: *answerability* as well as *enforcement*. Sometimes, transparency, which is the first step to extract accountability, is also included.

It is argued that accountability compromises efficiency by adding another bureaucratic layer:

- The officers spend their time in maintaining records or answering RTIs etc., which can otherwise be utilized to perform executive tasks.
- It makes them status quoist in their conduct. They may stop taking decisions for fear of public scrutiny.

However, accountability is one of the cornerstones of good governance. Evaluating the effectiveness of public officials/bodies ensures that they are performing to their full potential, providing value for money in the provision of public services, instilling confidence in the government and being responsive to the community they are meant to be serving.

An office which is accountable demonstrates commitment and sincerity to duty and is focused on achieving outcomes despite setbacks. It maintains a strong focus on the priorities and swiftly responds to changing requirements.

Difference between and Accountability and Responsibility:

- In administrative parlance, responsibility refers to being in-charge of certain duties which are expected to be performed by virtue of being in a certain post/position. Accountability is one step ahead. It includes answerability, i.e. being liable for the outcomes achieved due to performance of the duty. Therefore, accountability can be held on to a person only after the task is done.
- For e.g. – A judge is responsible for delivering a judgment, but is not accountable if the outcomes are not as expected. A DM is both responsible as well as accountable for ensuring compliance with RTE in her district.
- In individualistic terms, responsibility can also refer to what one expects of oneself or the others. To be morally responsible for something, is to be worthy of particular kind of reaction, such as praise or blame in pursuance of the act.
- For e.g. helping a destitute is a responsibility of the affluent and empathetic. However, they cannot be held accountable for not helping them. They can be condemned, if one wishes so.
- Also, responsibility can be delegated but accountability cannot be.

Ensuring effective Accountability:

- Protection of Whistleblowers through legislation.
- Social Audits by local communities, NGOs can enhance accountability in public service delivery, for instance in MGNREGA.
- Using Information and Technology: electronic service delivery mechanisms and maintain digital records can revolutionize accountability.
- Encouraging Citizen's initiative: e.g. RTI being accessible in local languages.
- Promoting Competition and discouraging monopolistic attitude among public service sectors.

3. What is social accountability? How can it act as a more effective mechanism than the

Approach:

The basic theme of the question is "social accountability: its relative efficacy and how it can be ensured". Accordingly, the answer can be framed in following manner:

- Explain Social Accountability.
- List the conventional methods of accountability. Compare social accountability with these, clearly bringing out why social accountability is better than them in extracting accountability. Cite some relevant examples.
- Suggest some steps that in the capacity of a civil servant you can take to improve the social accountability.

Answer:

In the context of Civil services, accountability refers to obligation on the part of public officials to report on the usage of public resources and answerability in respect of the performance of the task entrusted to them. Traditional accountability mechanisms include internal accountability mechanisms like departmental hierarchy etc. and external mechanisms like CAG, CVC, Lokpal etc.

Social Accountability is a step forward involving public as a stake-holder in administration. World Bank defines it as "an approach towards accountability that relies on civic engagement i.e. in which ordinary citizens or civil society participate directly or indirectly in extracting accountability." It underlines both the rights and responsibilities of citizens to expect and ensure that the government acts in public interest.

Conventional accountability mechanisms rely on government agencies to extract accountability. Internal mechanisms like departmental hierarchy are prone to biases, favoritism and quid pro quo. External mechanisms have had a checkered history. CVC, Lokayukta etc. owing to political interference and lack of necessary autonomy have not proven to be too effective. At the same time judiciary and CAG have performed much better. Moreover, conventional methods don't involve public in defining standards and methods of accountability. Also, conventional methods are of post-hoc nature i.e. they can look into the propriety of the actions of officials only after they are done. Thus, the wrong has already been committed and the loss to the exchequer has already occurred.

- By involving citizens in monitoring performance, demanding and enhancing transparency and exposing government failures and misdeeds, social accountability mechanisms are potentially powerful tools against public sector corruption. Thus, it improves service delivery quality.
- In addition to improved governance, it also empowers citizens. Empowerment in this context stands for a person's capacity to make effective choices into desired actions and outcomes. Mechanisms like participatory public policy making, public expenditure tracking and citizen report cards empower citizen by making them a part of decision making which would have otherwise not been possible for many.
- They also help to minimize the chances of failure of a decision as they involve the stakeholders and decisions are taken by consensus. Thus, it is a tool to strengthen democracy in an age when decentralization and delegation of powers to grass root has proved to be the key to effective development.

Civil servants can take the following steps in improve the effectiveness of social accountability:

- Social Accountability mechanisms are most effective when they are institutionalized. Ideally it can be done through a law. However, civil servants at

their own level can devise mechanisms to engage and organize citizens and civil society.

Student Notes:

- Relevant data/information must be interpreted and analyzed in order to be rendered operationally useful. This would be useful in producing meaningful findings that can be used in dialogue with stakeholders.
- For enabling social accountability, dissemination of information and public debate around them must be encouraged.
- Informing citizens of their rights and also responsibilities, which improves social accountability.
- Capacity building of citizens should be done through the use of NGOs, active civil society organizations etc.
- Ensuring that the response of citizens is duly incorporated in decisions and execution of those decisions by reporting officials is regularly monitored, so as to build a relationship of trust between citizens and officials.

4. How does the use of social media influence political participation and civic engagement? Discuss with examples.

Approach:

- Define social media and its types in brief.
- Using examples bring out how social media is being increasingly used in political participation and civic engagement.
- Conclude along with pointing the positive and negative aspects of both.

Answer:

Social media can be define in general terms as a web-based communication tools that enable people to interact with each other by both sharing and consuming information. Social media platforms, such as Twitter, Facebook and YouTube provide new ways to stimulate citizen engagement in political life, where elections and electoral campaigns have a central role.

Influencing political participation

- Various social media platforms such as Facebook, Twitter, Instagram, Google plus etc. were used for various objectives in electoral process like general awareness, propaganda by respective parties, track general trends of people's mindset etc.
- Election Commission also have used such platforms to increase the awareness about some basic issues and information concerning to a voter such as, procedure of voting, important documents required at the time of voting, geographical location of election booth etc.
- In 16th general election in India social media played a vital role. Politicians have taken part in Google+ Hangouts, televised interviews organized by Facebook and using smart phone messaging app Whats App to connect with millions of tech-savvy urban voters.
- Companies like Facebook, Twitter, and Google etc. had started several features in their own websites homepage, specifically made for the purpose of General Election-2014 for example Tech giant Google has revamped its election hub to include features like Pledge to Vote campaign, a 'Google score' tool for politicians, search trends info graphics, YouTube election playlists and Hangout details for users.

Using Social Media to Increase Civic Engagement:

Citizen participation and civic engagement are the building blocks for good

governance and social media play important role in this such as

Student Notes:

- Social media platform can act as a vital tool for ensuring accountability by not only airing the grievances of the general public but also disseminating information regarding government programmes and activities.
- It could act as a bidirectional feedback providing mechanism highlighting the achievements and pointing to shortcomings in real time
- Example being help provided during Chennai floods and active usage of Twitter by the railway ministry
- In India, Prime Minister Office has used social media as a potent tool to engage people in the governance process by asking for their suggestions, providing information for several government welfare programmes and policies etc.
- Social media platform is acting as a vital tool for increasing transparency in government functioning and holding the mighty state responsible for its acts not only in urban areas but in any part of the nation.
- Disaster management through social media has been proved a better tool to involve active participation of communities during crisis.

While social media empowers citizens by giving them a voice, it is also an unregulated medium where false and defamatory views are sometimes expressed, which may create law and order problem in the society. Further, its misuse has led to tension in communally sensitive places as has been seen in the case of India.

In a nutshell, social media can be used by Government agencies as a mechanism to solicit response on policy planning, flaws/drawbacks in implementation thereby helping the agencies becoming more citizen friendly.

5. Evaluate the success of RTI in bringing governance reforms in the country. Examine whether it has served the purpose it was meant for.

Approach:

- Highlight the effects of RTI in improving governance, enforcing ethics in administration and empowering the people.
- In the next part, discuss the challenges faced in its implementation.
- Conclude with some suggestive measures.

Answer:

The RTI Act has completed 10 years, and there are at least 50 lakh RTI applications being filed annually. Despite all complaints about poor implementation, people have owned the law like no other. Perhaps it is the real empowerment and sense of hope that the RTI offers to every Indian citizen.

Achievements

- The RTI has spawned a new breed of activism and citizenship, as it has begun to encourage a culture of asking questions. Information on issues related to public distribution system, privatization initiatives, pensions, road repairs, electricity connections, telecom complaints etc. have been sought by people through the RTI.
- It is a strong deterrent against wrong doing in officialdom and thereby a potent tool to reduce corruption.

Though the legislation has certainly brought **increased transparency** in public bodies, however, **accountability** has still not commensurably increased.

- A vast number of organizations that should have been covered under the definition of “public authority” have not come forward pro-actively to be covered by the Act.

- Poor quality of information is provided, which forces the applicant to go on appeal. In many cases the information is not provided within 30 days. This kills the motivation to use the law and also increases the burden on the law enforcement institutions.
- It has been seen that there is lack of attitudinal change on the part of PIOs and bureaucrats, as they generally invoke the Official Secrets Act to deny the information. Thus, there is merely legal change without corresponding attitudinal change, which affects the efficacy of the act. Lack of values of transparency, responsiveness and accountability are also seen on the part of public servants. Ineffective implementation of Section 4(1)(b), which calls for pro-active suo moto disclosure of information has also been an issue.
- Lack of political will to enforce the law as is evident in attempts to dilute the Act and not adhering to the order of Central Information Commission on applying the Act to political parties has also been witnessed.
- There is still low public awareness regarding the RTI

Way forward

- Issue clear user guidelines along with spreading awareness to encourage people to use RTI.
- Impart attitudinal training to the PIOs and bureaucrats.
- Empower the Central and State Information Commissions to enforce their orders. They should also be provided with adequate man power and infrastructure to review the implementation of the Act and take corrective actions.
- The focus should be on pro-active disclosure of information.
- Apart from technical training the public servants must also be given training in values, as highlighted by Nolan Committee on standards in public services.

6. For the success of Right to Information (RTI), a major challenge is to develop capacities for access to information. Discuss. How can the capacities of both public authorities and citizens be enhanced?

Approach:

- The aspect related to capacity of public authorities should focus not only on physical infrastructure but also human resources.
- Second part should focus on promoting information literacy and using various agencies like NGOs and the information technology tools for this purpose.

Answer:

Right to Information Act provides a broad framework for Government and Citizens' interface to design and monitor relevant projects, contain corruption, ensure accountability and to mutually share the responsibility for development. Under the Act, the public authorities are required to adopt open and transparent procedures and methods of delivery of services. Democratisation of information and knowledge, by way of creating conditions for sharing among the people, who are partners in development, is critical to the task of equalising opportunities for development.

- A major problem in access to information has been poor record keeping in government departments. There is a lack of proper Information Management System (IMS). Hence there are delays in retrieval of information resulting in problems in the implementation of the Act.
- Even if IMSs are in place, the employees are unaware of how to operate them for faster retrieval of information.

- The problem is further compounded by citizens asking for irrelevant information or sometimes asking for information that is already there in the public domain or is prohibited under the law.
- They are also unaware of the format in which to seek information as well as who to contact for the information.

So, the capacities of both the public authorities and the citizens have to be enhanced and for which a two pronged strategy would be needed.

First, a comprehensive information management system (IMS) should be developed by each public authority for storage and retrieval of data and information that may be shared with anyone who seeks to inspect and use the information for development purposes. Not only the institutional capacity but also the individuals associated with various public activities should also be trained and equipped with facilities to cope with the demand for sharing of information.

Second, in order to properly manage the demand for information from the NGOs, in general, and the citizens, in particular, a concerted effort would be needed to create mass awareness among the people to promote information literacy. A multimedia approach should be adopted to educate and train people as to how to decide and select what information should be sought for and that from where and how? Besides, they should be educated as to how to make best use of information for effective participation in economic and political processes.

The issue of promotion of information literacy among both educated and not so well educated citizens is critical, because the people and the government functionaries share the responsibility of expediting the process of development. Accordingly, under Section 26 of the Act, provisions have been made for advancement of understanding of the public through education and training programmes. The potential of IT resources and widespread educational institutions of all types and levels should be exploited to promote information literacy.

7. *There seems to be a fundamental contradiction between effectiveness and accountability. Comment. Why is accountability a necessary evil for good governance? Discuss.*

Approach:

In first part of the answer discuss, why this debate exists in administration with relevant examples. Second part of the answer should focus on why accountability is a necessary condition to ensure good governance and final part of the answer should focus on the fact that accountability and effectiveness can exist together and this should be the desired outcome.

Answer:

Accountability is the obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner. It also includes the responsibility for money or other entrusted property. Accountability therefore checks the abuses of power such as corruption, fraud, the insolence of office, arbitrary and unauthorised exercise of authority, violating rights and neglecting duties. Most importantly, while the measures of effectiveness keep continuously changing, accountability is a universal and perpetual virtue in governance.

Effectiveness is the degree to which objectives are achieved and the extent to which

targeted problems are solved.

Student Notes:

It is viewed that greater focus on accountability hampers effectiveness. Effectiveness requires wider managerial discretion while accountability calls for tighter central control. It has been advocated that an attempt to increase transparency and public participation will invariably result in delay in decision-making and promote risk aversion resulting in a compromise on effectiveness.

However, this view of effectiveness is short-sighted.

- Decisions taken through bypassing clear and transparent procedures seem to be effective in short run but such decisions suffer backlash in many cases. For example, in the case of involving construction of dams, not eliciting public opinion or providing for rehabilitation and resettlement will ultimately result in protests leading to delays in implementation. Hence, a short compromise on accountability may seem to be effective in many cases it can very well hamper the same effectiveness in long run.
- Accountability also checks the abuse of power such as corruption, fraud, the insolence of office, arbitrary and unauthorised exercise of authority, violating rights and neglecting duties.
- Most importantly, while the measures of effectiveness keep continuously changing, accountability is a universal and perpetual virtue in governance.

Further, accountability and effectiveness are not contradictory, but may act as complementary to each other. For example, the use of e-governance has been very effective in citizen services delivery and has also provided an impetus for social and industrial sector along with maintaining the accountability of government departments. Effective use of right to information, citizen charter etc. ensures transparency in governance and checks the menace of corruption and abuse of power. Thus it could be very well said that both accountability and effectiveness are an integral part of good governance and its utility should be seen w.r.t. the results produced in the long run.

8. *The Citizens' Charter cannot be an end in itself; it is rather a means to an end. Discuss.*

Approach:

- Define Citizen's Charter in the introduction.
- Explain how Citizen's Charter cannot be an end in itself, but a means to an end i.e. citizen welfare.
- Conclude by mentioning the ways to improve the citizen centricity of Citizens' Charter.

Answer:

Citizens' Charter is a document that an organization publishes for public reference, and provides details about the nature, working, and functions of the organization. It incorporates the service quality, and the time period for provision of various services, that the citizens can expect from the organization.

It keeps citizens at the heart of any service delivery mechanism in following ways:

- It helps the citizens to understand the type of services they can expect from a particular service provider.
- It ensures better service quality and grievance redressal systems in place for citizens.

- It incorporates citizens' feedback in improving service delivery quality, thus ensuring citizen participation in evaluation as well as implementation of policy.
- It makes the citizens aware of the intent of the service provider and helps in holding the organization accountable.

Student Notes:

Thus, Citizens' Charter ensures efficient delivery of public services as a means to an end, which is reflected in the welfare of the citizens. It is a means for promoting **good governance** through citizens' participation in administration making the government more responsive, accountable and transparent. It thus serves as a means to bring Government services to the doorstep of citizens.

To reach its desired end goal, citizens' charter needs to be complemented with other measured. Recognizing this, the citizen centric governance commitment of Government of India has led to development of **Sevottam model for public service delivery**, which seeks to assess an organization on three factors namely implementation of the Citizens' Charter, implementation of grievances redressal system and service delivery capability.

Further, Citizens' Charter may be improved by creating a database on consumers' grievances and redress, educating the public about the standards of delivery promise and considering the needs of senior citizens and the disabled when drafting Charters. In this context, the **Seven Step Model for Citizen Centricity** mentioned by the **2nd ARC Report** may be incorporated.

9. A Citizens' Charter sees public services through the eyes of those who use them. In this context, analyze the importance of citizen charter in making public services citizen centric.

Approach:

- Elaborate the given statement.
- Analyse how citizens' charter help in making public services citizen centric.

Answer:

Citizen charter is a document that an organization publishes for public reference, and provides details about the nature, working, and functions of the organization. It incorporates the service quality, and the time period for provision of various services, that the citizens can expect from the organization.

The Charter sees public services through the eyes of those who use them. This demands a regular and systematic consultation with the users of the service to fix service standards and to ascertain quality of service delivery.

Citizen Charter makes public services citizen-centric in following ways:

- It ensures better **service quality**, and **grievance redressal systems** in place for citizens.
- It **deepens democracy** by involving common citizens in policy making.
- It ushers in a regime of **transparency and openness** by clearly pronouncing the standards and timing of service delivery.
- It **promotes good governance**, by realizing the values of equality, democracy, and transparency. It **incorporates citizens' feedback** in improving service delivery quality, thus ensuring citizen participation in evaluation as well as implementation of policy.
- It **incentivizes accountability** in administration, by clearly laying down the service standards.

Adopting **SEVOTTAM Model** proposed by II ARC would bring in standardization of citizen charters across the country and facilitate good governance.

- 10. RTI is termed as a master key to good governance. Highlight the role of RTI in making the administration and governance of our country more ethical and responsive.**

Student Notes:

Approach:

- Few lines of introduction to RTI as a key to good governance
- Then its role in making administration and governance more ethical
- Then separately its role in making them more responsive

Answer:

RTI has been termed as a master key to good governance by second administrative reform commission as it ushers in an era of transparency, openness, participatory democracy and people centered governance. It has brought a significant shift in our administration and governance culture.

Its role has been important in making the administration and governance of our country more ethical owing to the following:

- **Creating indirect pressure on officials and politicians** because of the possibility of its usage by RTI activists to question their actions. Thus, it promotes transparency and a continuous accountability of administration and government for their decisions unlike the ballot box accountability.
- **Improves citizen's trust** in government agencies and its functioning – A recent of fast tracking of disbursal of pension dues with interest on filing an RTI application regarding the same to the Western Railway signifies the importance of RTI in bringing justice to the weaker sections
- **Containing corruption** – RTI has helped in unearthing some of the biggest scams in our nation like 2G scam, coal scam etc.
- **Eliminating nepotism** - In 2013, an RTI-based investigation showed that many MPs had employed close relatives like fathers, children, spouses as their 'Personal Assistants' to keep the sanctioned allowance within the family and many had employed personal staff in violation of norms prescribed by the DoPT. The reports prompted the Rajya Sabha Ethics Committee and the government to intervene and put an end to such practices by ministers.

It also has big role in increasing the responsiveness of the system in the following manner:

- **Timely accessibility to information** – The act calls for keeping information in an organized manner, keeping records up to date and ensure proper storage & timely retrieval. It also increases responsiveness as the time cut on gathering the records is reduced
- **Better participation of citizens** – Citizens can contribute in decision making in a better way with all the facts in their hands. It has started a culture of asking questions in the citizens.
- **Increasing transparency** has become the norm. The government's decision for e-auctioning of mines and spectrum signifies the change that has begun to creep in the governance and administration of our country

The more than 45 RTI users who have been killed bear testimony to just how much the act threatens vested interests. It has become the most potent weapon in the hands of the weak against arbitrary power of the state.

- 11. Adhering to high standards of transparency is often in conflict with the duty towards maintaining confidentiality. With examples, elaborate on the problems faced by public servants in effective discharge of duties during such situations. Also, discuss the ethical framework that should guide the decisions in these circumstances.**

Student Notes:

Approach:

- Introduce by explaining that the duty of a public servant is to uphold public interest and work for greater good of the society.
- Discuss the importance of transparency.
- Discuss the need for confidentiality along with the issue of privacy and the provisions for nondisclosure in RTI Act.
- Illustrate your answer with some situations from day to day functioning of a public servant which require transparency and some which require confidentiality.
- Conclude by explaining that a civil servant should always uphold the value of transparency unless very strong reasons mandate maintaining confidentiality.

Answer:

Public servants are accountable to the people and should discharge their duties with utmost responsibility, integrity and justice. In discharge of their duty, they must always uphold public interest and greater good of the society which requires maintaining a fine balance between contrasting values of transparency and confidentiality.

Transparency enables citizens to have a say about issues that matter to them and a chance to influence decision-making and hold those making decisions to account. A public servant has to maintain transparency in procedures of his organisation so that common public knows how to approach the organization. He also has to maintain utmost transparency in financial dealings of his organization so that accountability is ensured to the public.

Confidentiality

But public servants should strive to ensure that the value of transparency in government is upheld while respecting their duties of confidentiality under the law. Total openness and transparency is not possible. Governments need confidentiality for consultations during negotiations on treaties and agreements, and also for national security reasons.

Confidentiality as a value is generally thought to inhibit transparency but it may be interpreted in a positive manner also as it builds trust. Suppose a Minister discloses to his Secretary that the Government is planning to demonetize large denomination currency to fight corruption and black money. Here, the secretary is obliged by law and public interest to maintain confidentiality. If he leaks the information he will lose the trust of his Minister which is not conducive for a healthy working relationship.

Issue of privacy

Public servants have access to private information of the citizens and this has to be dealt with utmost care. For example, a tax official cannot make public the information about annual incomes of the citizens.

Even the RTI Act, which ushered in a new era of transparency, recognizes the importance of confidentiality and privacy in Section 8.

Ethical framework

- The public servant should find out about the relevant laws, rules and regulations and follow them in letter and spirit.

- He should also consider what his conscience says about the problem at hand.
- In doing so, he should always test his decision on the touchstone of public interest and the greater good of the society.
- Generally, he should take the side of transparency while respecting privacy unless and until very strong reasons exist for maintaining confidentiality.

Student Notes:

The public servant's duties today remain many, complex and often seemingly contradictory, but successful public servants recognise their multiple roles and prepare for them. They know that transparency is the norm unless public interest and law obliges confidentiality.

- 12. *An organization consists of a variety of individuals with varying values and degrees of motivation. What challenges do leaders face when forging a harmonious work culture in such an organization? How can leaders engender a sense of inclusion in face of such diversity?***

Approach:

Bring out the challenges faced due to diversity in workforce such as age, gender, marital status, place of residence, etc. Mention the need to build an inclusive culture and striving towards a common organisational goal, while simultaneously pursuing personal goals.

Answer:

Leadership is about engaging and energizing people, and inspiring them to give their best. Leaders serve as role models and set examples worth emulating. In today's organisations, which consist of diverse and differently motivated individuals, the inclusive nature of leadership can play a decisive role in forging unity and create a harmonious work culture.

The teams today are becoming increasingly diverse with a mix of culture, nationality, geography, gender and age. Although this mix brings in increased range of expertise, it also presents several unique challenges to the ones leading them, such as:

- Managing varying expectations of both the work culture as well as the rewards.
- Varying degrees of motivation of employees which can hamper the achievement of desired goals.
- Language and cultural barriers may result in breakdown of communication, confusion and lack of team cohesiveness.
- Working across different time-zones also makes communication challenging and may hamper productivity.

Inclusive and open nature of leadership is crucial for managing such teams. For e.g. having access to information and resources necessary for effective task performance or an opportunity to influence important decisions increases association and belongingness.

Leaders should engender a sense of shared purpose and clear paths among team members and promote a common vision based on shared values that are directly linked to team outcomes.

Emotional intelligence of the leader in understanding and managing expectations of the team members is equally important. Understanding different motivations of individuals helps leaders to be mindful in applying similar approaches to influence behaviour of different individuals.

Leaders should authentically value and respect all individuals for their talents and contributions. They should first be aware of their stereotypes and biases that impede valuing diverse others. Rather than constraining, they should recognise the diverse identity expression and should demonstrate a willingness to learn from diverse perspectives.

They should hold others accountable for disrespectful behaviour towards different others and must articulate the value of diversity for team effectiveness. Leading by examples, they should promote team relations that are fair, democratic, supportive, and welcoming of questions and challenges, rather than team relations that are authoritarian, unsupportive or based on favouritism.

- 13. *What do you understand by Integrity Pacts? Highlight the role they can play in bringing transparency in allotment of public contracts and ensuring proper utilization of public funds in India.***

Approach:

- Explain in brief the concept of Integrity Pacts (IP).
- Elaborate how they can ensure transparency in public contracting and proper utilisation of public funds in India.
- Conclude briefly with the need for an institutional mechanism for IP implementation.

Answer:

Integrity Pacts are essentially an agreement between the government agency offering a contract and the companies bidding for it that they will abstain from bribery, collusion, extortion and other corrupt practices for the extent of the contract. To ensure accountability, Integrity Pacts also include a monitoring system, typically led by the civil society organisations.

Integrity pacts can ensure transparency in allotment of public funds because of its features such as:

- **Contractual obligations:**
 - An undertaking by the **contracting authority** that its officials will not demand or accept any bribes, gifts or payments of any kind and maintain appropriate disciplinary, civil or criminal sanctions in case of violation.
 - A statement by each **bidder** that it has not paid, and will not pay, any bribes in order to obtain or retain the contract.
 - An undertaking by each **bidder** to disclose all payments made in connection with the contract in question to anybody.
 - **Bidders** must have a company code of conduct and a compliance programme for the implementation of the code of conduct throughout the company.
- It demonstrates a commitment to fight **corruption**, reinforces existing anti-corruption measures and sends a strong message that the public procurement processes will be fair and transparent.
- It encourages **institutional changes** with focus on transparency, such as the increased use of e-procurement systems, simplified administrative procedures and improved regulatory action.

These pacts are even more important for India as there has been a history of delays and scandals in public procurement in India and existing anti-corruption regulations have had limited success.

Given the situation, Integrity Pacts can play an important role by also **ensuring proper utilization of public funds**, as seen from the following:

- It **levels the playing field** in public procurement processes, boosting fair competition and innovation.
- Smooth procurement process means projects are likely to **start and end on schedule**.
- Public works contracts are more likely to be awarded to the bidder offering the **best value for money**.
- It **empowers civil society**, as the independent external expert monitor, in its contribution to the integrity of public procurement processes.

It pinpoints to systemic anomalies in a given contracting authority's functioning mode which, if corrected, will result in considerable **improvement of future procurement processes**.

Integrity Pacts are a must-have in all public contracting in India and its mandate needs to be backed by an **institutional mechanism** that involves a multi-stakeholder effort between the government, private sector and the civil society with adequate resources, capacity, leadership, commitment and credibility.

- 14. The recent amendments to the Prevention of Corruption Act, 1988 strike a balance between enforcement overzealousness and the need for stringent action against corrupt public servants. Discuss.**

Approach:

- Write a brief introduction regarding the status of corruption and anti-corruption law in India.
- Mention some of the recent amendments to Prevention of Corruption Act.
- Explain how it intends to strike a balance between enforcement overzealousness and the need for stringent action.

Answer:

Despite the anti-corruption laws in force for decades, corruption continues to exist in covert and overt ways at all three levels - political, bureaucratic and corporate sector. India has been ranked 81st in the Global Corruption Perception Index making corruption in public life a major concern.

At the same time, certain provisions of Prevention of Corruption Act, 1988 have made public servants fearful of investigative agencies and led to administrative paralysis. The vague and wider scope of earlier act gave arbitrary and excessive authority to enforcement agencies leading to misuse.

The recent amendments to the Prevention of Corruption Act, 1988 plug those lacunae and strike a balance between enforcement overzealousness and the need for stringent action against corrupt public servants in the following manner:

- **Prior approval for investigation:** It makes prior approval mandatory of the competent authority to conduct any investigation into offence alleged to have been committed by a public servant. However, it does not apply when the accused is caught red-handed.
- **Redefining criminal misconduct:** Under the amendment to the act, criminal misconduct will now include only two offences:
 - misappropriating of property entrusted to the public servant
 - amassing assets disproportionate to known sources of income

Student Notes:

It now requires that the intention to acquire assets disproportionate to income also need to be proved, in addition to possession of such assets.

Student Notes:

While the amendments provide protection to honest public servants, the law also takes stringent action against corrupt public servants through following provisions-

- **Bribery:** Giving a bribe has been made a direct offence with a safeguard that in cases of coercive bribery, a person will not be charged with this offence if he/she reports matter to law enforcement authorities within seven days. In the past, the bribe giver had enjoyed immunity and that helped perpetuate corruption.
- **Time-bound Trial:** It set trial time period of two years if it is handled by special judge. In case of delays, reasons for it must be recorded for every extension of six months obtained. However, total period for completion of trial may not exceed four years.
- **Penalties for offences:** it modifies penalties for offences related to taking bribe and also introduces powers and procedures for attachment and forfeiture of property of public servants accused of corruption.

For government initiatives to succeed and deliver results, bureaucrats are needed to be assured that any bona fide economic decision taken by them would not make them the targets of investigative action and prosecution in hindsight. Therefore, it is expected that the changes made in the act will enable quicker decision making, restore morale and energize the functioning of the bureaucracy.

15. How can organizational culture impact public service motivation and sustain values in administration?

Approach:

- Introduce by defining the term organizational culture.
- Discuss how organizational culture impacts motivation of civil servants and sustains values in administration.
- Conclude appropriately.

Answer:

Organizational culture is a set of behavioural, emotional, and psychological framework that members adopt and perpetuate. It reflects the value system, leadership style, procedure, routine etc. that make an organization unique.

Organizational culture plays an important role in public service motivation and sustains values in the administration in the following ways:

- **Sense of identity and belongingness:** Public servants obtain a sense of identity and understand that they belong to a larger community with a sense of commitment to achieve something larger than their individual interest.
- **Acts as a regulating mechanism:** Organizational culture shapes attitudes and behaviour by providing the necessary incentives and sanctions. These ensure that behaviour of the public servants is aligned with the values of the organization. For instance, if corruption is condemned in an organization, the employees are unlikely to indulge in it as it is deemed unethical.
- **Promotes efficiency:** A collaborative environment in the organization encourages the public servants to work diligently and inspires people to demonstrate the values of responsiveness and efficiency.
- **Effective communication:** Organizational culture that encourages communication leads to better relationships among employees and a healthy work culture. Further,

- the hierarchical structure becomes less rigid if employees have the freedom to express themselves.
- **Direction:** A set of guidelines regarding organizational values and goals gives the public servant a sense of direction. Further, values like honesty, integrity and probity get instilled in the public servant if he/she witnesses his/her colleagues and superiors imbibing them.

The 2nd Administrative Reforms Commission states that poor organizational culture has led to degradation of values and corruption in administration in India. Also, if the work of the public servants is not driven by values oriented to public service, it may lose the trust, confidence and respect of the people who rely on it.

Thus, an organizational culture that encourages effective employee participation and transmission of positive values leads to better motivation and higher levels of self-esteem for public servants.

- 16.** *Identify the various traits of work culture associated with government organizations in India. Also, suggest ways in which a healthy work culture can be created to meet the objectives of good governance.*

Approach:

- Introduce by explaining in brief what work culture is.
- Highlight various traits of a healthy work culture for a bureaucracy in a modern society.
- Suggest ways to create a healthy work culture to meet the objectives of good-governance.
- Conclude on the basis of the above points on a positive note.

Answer:

Work culture refers to the way in which rules/regulations, policies, traditions/rituals, shared values, beliefs and practices contribute to the unique social and psychological environment in an organization. It not only guides the way employees interact with each other and the organization but also directs the functioning of the organization.

Various traits of a healthy work culture for bureaucracy in a modern society:

- **Administrative hierarchy:** There should be a clear-cut division of work wherein each level assigns responsibilities to the level beneath it, while each lower level is accountable to the level above for fulfilling those assignments.
- **Rules and Procedures:** Decisions taken by bureaucrats should be governed by a consistent system of rules, regulations and procedures, which are written, rational and impersonal.
- **Communication and consultation:** Bureaucratic structure should ensure free flow of information among all departments and levels in the organization horizontally as well as vertically on a regular basis.
- **Process simplification:** By bringing about regular changes in forms, process and statutes, healthy work culture aims towards ensuring rationality and simplicity in day-to-day processes. For e.g. adoption of web based single window clearance systems.
- **Inclusiveness:** Work culture should be able to inspire and motivate people coming from different cultural backgrounds for achieving organization goals seamlessly through dedicated effort.

- **Responsiveness on social media:** Besides ensuring transparency, social media engagement helps amplify government's work in the public domain, thus bringing governance closer to the people.
- **E-bureaucracy:** Bureaucratic work culture should be flexible enough to accommodate upcoming digital technologies for improving efficiency and decision-making capabilities.

Ways to create a healthy work culture in government organizations in India:

- Ensure effective implementation of instruments like Citizen Charter to make administration more citizen-centric.
- Increase adoption of information technology and rationalize the procedures to ensure speedy and quality delivery of public services.
- Strengthen the internal accountability mechanism and enhance people's participation to hold public authorities accountable.
- Amend laws and rules to maintain an optimum balance between transparency and secrecy like the Official Secrets Act, etc.
- Show zero tolerance against corruption by creating strong laws and independent anti-corruption bodies like Lokpal and Lokayukta.
- Introduce changes in the training processes and enable public authorities to work in new ways.
- Eliminate political interference to ensure the neutrality of public officials.
- Provide adequate protection against misuse of legal instruments like RTI Act, SC/ST Atrocities Act, etc.

The need of the hour is to create an enabling work environment for effective accountability and performance, attract and retain talent, enhance and develop competencies and promote ethical work environment, which would surely help in meeting the objectives of good-governance.

17. In order to improve the bureaucratic work culture and productivity, there is a need to downsize government and privatize some of the services. Critically discuss with examples.

Approach:

- Brief introduction about Indian bureaucratic work culture.
- Discuss both the pros and cons of downsizing government and privatizing some services.
- Conclude

Answer:

Owing to its large size and importance, bureaucracy has been regarded as an organised governance sub-system of the total societal system. Over time, it has developed its structures, processes, values, norms and process of behaviour. These are what form part of the bureaucratic work culture. The manner in which administration is carried out, the way state machinery interacts with other organs of the state, including other departments as well as citizens, the procedure of taking decisions, etc. all form part of the work culture of bureaucracy. The bureaucratic work culture in India is characterised by a strict hierarchy and a rule-based decision making. An important characteristic of the government is that it is spread thin- i.e. it has been performing many functions without necessarily having the manpower to successfully execute them. At the same time, although government appears understaffed in totality, many departments are riddled with underemployed personnel, i.e. non-optimal utilisation of human resources.

As a result, the work culture that has developed in administration is that of red-tapism, inefficiency in providing services, inordinate delays in decision making and even lethargy. In view of this misallocation of resources, it is no wonder that many state and central PSUs are making losses after allowing private players to compete with them.

Downsizing government:

There is a need of restructuring, reorganizing and downsizing various ministries and departments which would bring greater efficiency and cut cost in the spirit of minimum government maximum governance. Second administrative reforms commission, has also recommended the winding up or merger of several government departments. Downsizing can be achieved through:

- The ministerial staff divided in numerous categories such as UDC, LDC etc. to be replaced by a multi-skilled computer savvy position called Executive Assistant.
- Along with digitalization of government services, the Singapore model, where the government selects best bureaucrats on a renewable contract basis is worth emulating.
- Lateral entry from other services and from open market and a reward system for performance.

It is also important that downsizing should not lead to manpower crunch at the field level. Therefore, government should focus on rightsizing rather than mindless public sector downsizing and retrenchment.

Privatization of Services

- Post liberalization, the role of state has changed from being the major provider of services to being a facilitator for development. As such, there has been a trend towards privatisation, especially of loss making and peripheral businesses such as hotel, tourism, engineering etc. Resultant competition improves cost effectiveness and service quality. However, essential services of the state in a developing country with large poor population and huge inequality cannot be privatised. Bureaucracy being more people oriented than the markets ensures that responsibility of the state towards all citizens are carried out in a fair and just manner.
- PPP models such as in infrastructure and other services like health are still evolving and complete withdrawal of state from them in an attempt to downsize government should be proceeded with caution, keeping in view the affordability of services for common citizens.
- It is expected to promote competition leading to cost cutting and greater customer satisfaction. However, private ownership alone may not translate into improved efficiency and public interest as profit-making strategies may make essential services unaffordable or unavailable to large segments of the population.

Thus, the concerns related to affordability of essential services, social equity, accountability, labour concerns like employment conditions, erosion of wages and decreased levels of union membership need to be addressed before outright downsizing of government machinery. In order to improve the work culture and increase productivity, following steps may be considered:

- Address the political-bureaucracy relationship: Political pressure and instructions erode the decision-making culture of bureaucracy. Rather than being citizen centric and functioning as a unit, the administration becomes self-centered and works in a manner to meet individual interests.
- Transparent and objective performance assessment system to keep the staff motivated.

- Accountability towards decision making to be instilled in the organisation.
- Measures such as biometric attendance, timely reporting in office and meetings, regular feedback and updates, etc. can help develop a healthy work culture and increase productivity.

Student Notes:

- 18. For effective public service delivery, the need today is to move from traditional accountability mechanisms to social accountability through greater civic engagement. Discuss with examples.**

Approach:

- Explain social accountability in brief.
- Contrast it with traditional accountability and elaborate its advantage.
- Give some examples.

Answer:

Government business is so wide and complex that a check is needed upon its powers and activities. Accountability ensures actions and decisions taken by public officials are subject to oversight so as to guarantee that government initiatives meet their stated objectives and respond to the needs of the community they are meant to be benefiting, thereby contributing to better governance and poverty reduction. This check is provided by various accountability mechanisms. Traditional accountability mechanisms include legislative control, administrative control, judicial remedies, departmental hierarchies, vigilance mechanisms etc. However, such checks are generally of post hoc nature and less effective at the cutting edge level. This impacts the service delivery quality.

World Bank defines social accountability as an approach towards building accountability that relies on civic engagement, i.e., in which it is ordinary citizens and/or civil society organizations who participate directly or indirectly in exacting accountability. It involves the stakeholders like citizens, civil society, NGOs and others at various levels who engage in monitoring or evaluating a particular project, programme or policy, share control over the resources, provide feedback and take corrective actions when needed. Thus it mobilizes citizens at the local level to demand better services thus making the services more effective and economic as well. It brings in good governance while giving the community a sense of participation, ownership and empowerment.

Some examples of social accountability as implemented in various places include:

- Participatory Planning and Policy Formulation (Kerala, Brazil, Bangladesh);
- Participatory Budget Analysis (Gujarat);
- Participatory Expenditure Tracking System (Uganda, Delhi, Rajasthan);
- Citizens' Surveys/Citizen Report Cards (Bangalore, Maharashtra, Ukraine, Philippines, Pakistan);
- Citizen Charters (Andhra Pradesh, Karnataka); and
- Community Scorecards (Malawi, Maharashtra, Andhra Pradesh)

It has been well established that social accountability mechanisms can contribute to **improved governance, accelerate development, and create effectiveness through better service delivery and empowerment**. In addition to these methods and tools, many more exist such as **campaigns for electoral reforms, public interest litigation, social audits, independent evaluation** and so forth. At state level often janta durbar and mohalla sabha are organized to involve citizens more actively.

These initiatives are more effective when state's accountability mechanisms are transparent and citizen engaging. More importantly they ensure that a bottom up, demand driven approach is followed which ensures that grass root problems are effectively addressed. They have helped to bring in transparency, time bound service delivery, public participation at the stages of policy formulation, implementation and review, increased prudence, improving last mile outreach and brought a change in the attitude of bureaucracy.

19. *The utilisation of public funds in a democracy like India must be based on the principles of transparency, accountability and efficiency. Examine.*

Approach:

- Introduce by explaining the meaning of public funds.
- Discuss the need to have transparency, accountability and efficiency in utilisation of public funds.
- Conclude by bringing out the various mechanisms through which it can be done.

Answer:

Public fund is money that is generated by the government to provide goods and services to the general public. It is held by the government as a custodian and not an owner. Judicious and effective utilization of public funds is very crucial for development as well as providing minimal essential services in a developing democracy like India.

However, it is very often seen that public funds are subjected to inefficient utilization, diversions, etc. owing to factors such as corruption exacerbated by political-bureaucratic nexus. Thus, in order to utilize public funds efficiently, the virtues of transparency, accountability and efficiency are significant in countries like India:

Role of transparency in utilisation of public funds:

- An open and transparent utilization of public funds **fosters trust in society** that people's views and interests are respected and that public money is used well.
- Transparency in utilization of public funds through informed and inclusive debate can ensure **inclusiveness of the policies** for the interests and living standards of different people and groups in society.
- Transparency of process **discourages any kind of corruption** by the public official in utilization of funds.
- Transparency ensures that the **citizens are well informed and can effectively participate in the decision making process**.
- To maintain transparency in utilisation of public funds several procedures exist, such as the provision of presenting and passing the **budget** each year in the Lok Sabha. Also, for transparency in Direct Benefit Transfers, a comprehensive payment, receipt & accounting network is maintained through the **Public Fund Management System (PFMS)**.

Role of accountability in utilisation of public funds:

- **Accountability in utilisation of public funds** ensures clarity about the use of public funds and prevents the public representatives and officials from indulging in corrupt activities.
- Public spending is vulnerable not only to waste and misuse, but also to fraud. So, having accountability **ensures high standards of integrity** on the part of public representatives and officials and reduces chances of corruption in utilization of public funds.

- Accountability helps in examining the efficiency and success of any public policies. Thus, **lacunae in the on-going public policies can be identified and they can be improved further.**
- To maintain accountability, audits of government accounts are done by the Comptroller and Auditor General (CAG). Citizens can also ensure accountability in utilisation of public funds through Right to Information, Social Audit, etc.

Student Notes:

Role of efficiency in utilisation of public funds:

- By following the principle of efficiency in utilisation of public funds, **optimum utilization of resources** can be done to ensure **maximum output through minimum input**. This becomes very crucial for a country like India where resources are less while the population dependent on them is more.
- Efficient utilization of public funds supports **better fiscal outcomes** and more responsive, impactful and equitable public policies.
- Efficient utilization of public funds helps in **saving the wastage of resources** which can also be used for **other policy implementation**.
- To institutionalise financial discipline, FRBM Act has been passed. Direct Benefit Transfers, use of Aadhar for welfare schemes etc. are also an effort towards ensuring efficiency in utilisation of public funds.

Lack of transparency, accountability and efficiency in utilisation of public funds can result in unethical and illegal practices which can corrode the political and social fabric of the nation. Transparency, accountability and efficiency in utilisation of public funds can be further strengthened by various mechanisms such as decentralization of utilization of funds, lessening the discretionary powers, and strengthening citizen charter and RTI Act.

15. Previous Years Vision IAS GS Mains Questions: Case Studies

1. *You are judging a high-profile case of a rich businessman who is accused of holding back money of numerous investors in the country. You are facing tremendous pressure from politicians and an industrial lobby, asking you to be lenient towards the businessman as he has created close to a million jobs in the country and his bad reputation will be disastrous for the economy.*

The following are some suggested options. Please evaluate the merits and demerits of each of the options:

- (a) Ask the senior judge to transfer you from the case.
- (b) Ignore all the pressure tactics by various groups completely.
- (c) Increase the duration of the court hearing to soothe down the pressure.
- (d) Hold the case in abeyance and ask for an inquiry report from the regulatory body.
- (e) Ask the media to stop reporting the case with such fanfare.

Also indicate (without necessarily restricting to the above options), what would you advise, giving proper reasons.

Approach:

As the options have been already provided to the students, it is expected out of them to clearly spell out the reasons for supporting certain option. It should reflect their competence to understand the situation and act with prudence. Every option has some pros and cons. It is important to reflect the ‘values’ cardinal to you while choosing an option.

Answer:

On analysing the merits and demerits of the options provided in the question, we understand that:

Student Notes:

- a) By asking the senior judge to transfer myself from the case would ensure that I would not face public pressure, scrutiny from media and industrial lobby; It would relieve me from the position of dilemma and I could look after other cases in better manner.

But by doing so, I shall be escaping from my duty. It would lead to dereliction of duty; besides if everyone facing similar situation desires similar steps, it would lead to a situation of chaos where one will not be willing to take the duty assigned to him.

- b) By ignoring the pressure tactics by various groups completely, we can focus on the merits and demerits of the case in an objective manner. It will ensure neutrality in decision making and help in setup a benchmark for further judgements. However, saying so is easier than doing so. There will be relentless pressure from various groups citing issues like it will harm the economy of the country, it could lead to loss of employment for many people, it may cause safety issue for the judge himself and his family may face little harassment too.
- c) By increasing the duration of court hearing to soothe down the pressure, the court can fetch more time for itself to analyse the case. Besides, it will provide enough time to the aggrieved parties to strengthen their case both for and against the issue. Also, with time pressure from people will reduce and it will help in taking the best possible decision in the matter. But by taking such step, it would be a case of delaying justice and it is firmly believed that justice delayed is justice denied. Also, there is no certainty that pressure will not mount back at the later date of hearing. Along with it, the professional integrity of the judge will be questionable and it could set wrong precedent for future in the country which is already reeling under the burden of large number of pending cases in the judiciary.
- d) By holding the case in abeyance and asking for an enquiry report from a regulatory body, the judge will get expert opinion on the matter which can help in taking an objective and better decision. It will also serve to reduce public pressure. However, it has its own costs. It would delay the judgement and may cause trouble in making the judgement if the enquiry report provides a completely different overview. Also, there could be comparisons drawn from the conclusion of the enquiry reports and the courts judgment, if both don't match.
- e) By asking the media to stop reporting the case with a fanfare, the pressure from public can be subdued to a certain extent. Many parties who are not directly related to the case will reduce the pressure on the court. But doing so, there could be concerns of judiciary trying to tame down media's right for freedom of speech and expression and may lead to rumors of some misdeeds behind the settings. Also, it would be against the basic theme of transparency and accountability, which are the backbone of any public office. Thus, it may reduce the public faith in the judicial system of the country.

On analysing the possible options, the best step possible, which can be taken, is that the judiciary should ask for setting up the enquiry committee in case, if the matter is requiring some expert knowledge on some topics, under consideration. Based on the reports and other facts available with the judge, proper judgement should be taken based on the merits of the law without any pressure from any external source.

2. During your election duty you caught hold of a vehicle full of cash. On inquiry, it was

revealed to you that the vehicle belongs to a very popular politician of the region and even the exit polls are predicting his victory. The politician calls you up to release the vehicle. You try to approach your senior to seek advice but can't reach him.

(a) What are the options available to you?

(b) What course of action will you take?

Approach:

This is an administrative challenge wherein the student is judged on choosing 'sense of duty' over 'political pressure'. The answer must clearly reflect the students logic and reason for choosing certain course of action after weighing it over its pros and cons.

Answer:

The election officer is under tremendous pressure from a popular politician who is interfering in his duties. This situation depicts an administrative challenge where the officer has to find a suitable way out to perform his actions without challenging the politician's authority.

The following course of action is in front of him:

As the officer's senior is not approachable the onus of decision making lies on the officer itself.

a) Directly refusing the politician to accept his orders

As a subordinate it is the duty of the officer to obey his superiors in administrative setup, but until the commands do not deviate him from his sense of duty and consciousness. As the politician has asked him to perform an action away from his line of duty, refusing him will show his uprightness and honesty. However, this abrupt and rash behaviour can create ripples in the organization which can disrupt its working at such crucial time.

b) Accepting politician's orders.

Blindly accepting politician's orders will show the officer in bad light in front of his juniors as well as public. Not only has the officer to perform his duties honestly but also has to make sure that the organization's public image should not be tarnished. Also it is important to boost up the morale of the subordinates to perform the action with clear conscious; otherwise it will encourage malpractices in the organization.

c) The best course of action would be to explain to the politician that the money caught during the raid has been deposited in the government security and only a written order can help him retrieve the money packets. Also reason with the politician that it is very difficult to save oneself from 'media glare' and any such act will tarnish the image of the politician as well as the organization at large.

3. *You are the District Magistrate of one of the poorest districts in the country. Due to widespread poverty and unhygienic conditions, there are many health related problems in the district. Many private medical practitioners have settled in the district and are running a profitable business. There are reports that many of them are charging high fees even for routine medical check-ups. Further, out-of-pocket health expenditure has risen exponentially in the district.*

The MP of that constituency has fixed the rates, which the doctors can charge from their patients, for the most common medical treatment. These rates are within the capacity of the poor masses and would not impact the earning of the doctors too. He

has also warned that if any doctor is found to be in violation of these, then serious action would be initiated against him.

Student Notes:

The medical fraternity has protested against these arm-twisting tactics. They have approached the DM to remedy the situation.

(a) What are the options available to you?

(b) Evaluate each option and suggest the best course of action?

Approach:

The answer should consist of the following parts:

- Facts of the case
- Different options available to you and their analysis
- The course of action you would adopt and the reasons

Answer:

The facts of the case are:

- The public health condition of the district is poor
- Some doctors are charging very high fees
- The MP has fixed the rates which the doctors can charge from their patients, for the most common medical treatment.
- These rates are within the capacity of the poor masses and would not impact the earning of the doctors too
- The medical community is against the rate list fixed by the MP

The options available to me are:

- 1) Ask the doctors to follow the rate list – As the public health of the district is in abysmal state, hence limiting the medical charges is a good option. The Minister of Parliament is an elected representative and his orders should be respected. But the unilateral declaration made by the MP is not acceptable. Such diktats are signs of a dictatorship and not a democracy. Hence, this course of action is not suitable.
- 2) Ask for the MP to revoke his diktat – The MP has used extra-constitutional means to address the poor health situation of the district. Though the intention behind the act is noble but the method used is not appropriate. But asking the MP to revoke his diktat is only a partial solution as it doesn't address the high charges charged by some doctors for routine medical check-ups. Hence, this option is also not suitable.
- 3) Refuse to intervene in the matter – By refusing to intervene in the situation, I am saved from the ire of the Minister. It may prove beneficial for my career in the future. But I am abdicating my responsibility as a District Magistrate. This shows lack of conviction on my part. Also, the doctors may go on strike or approach the Courts for redressal for their grievance which will be a bigger headache for me. Hence, this is also not a suitable option.
- 4) Arrange for a meeting between the MP and representatives of the medical community to resolve the matter – Here, I have followed the middle path by addressing the grievance of the medical community as well as taking care of the concerns of the Minister regarding the poor public health of the district. I will try to negotiate a solution whereby the freedom of profession of the doctors is protected and also advise the representatives of the medical community to guard against charging high fees. If still the MP doesn't agree to revoke his diktat than I will assure the doctors that no harm will come their way. Also, if the unethical practice of charging high fees is not curbed then I will take strict action against errant doctors.

I would follow the 4th option. This is a pragmatic approach. I will ensure that both the doctors as well as the MP have their way. The doctors will be able to practice their profession freely and also the practice of charging high fees will be curbed which will satisfy the Minister.

Student Notes:

Also, I will urge the MP to provide funds from his MPLAD scheme for opening up of new hospitals and improving CHCs, PHCs under NRHM to improve the public health situation.

4. *A District Magistrate, posted in a district affected by left wing extremism, was abducted by the extremists while he was on a routine inspection tour to assess the progress of the development work in one of the villages. After abduction, extremists demanded the release of two of their leaders who are accused of involvement in the violent attack on the police convoy few months back. After few days of continued negotiations, the center and state governments agreed to accept the demands of extremists in return for release of the District Magistrate. During the time when District Magistrate was held captive, he was treated well by the extremists and many extremists and even locals came to visit him in order to point out the problems in the service delivery, excesses of the police and paramilitary forces in a very convincing manner. After being released, the District Magistrate comes to you to seek advice on how to deal with the issues, which arose out of his abduction. Some of the suggestions are as follows:*

- 1. The District Magistrate should file a criminal case against the extremists for his abduction and help the security forces in whatever way he can to catch the culprits and also request for a transfer.*
- 2. The District Magistrate should take up a review of status of developmental work in that region while leading the audit himself; but at the same time work on new innovative strategies so that locals can be made free from the control of extremists, treating the incidence as a wakeup call.*
- 3. The District Magistrate should inform about his experience to higher authorities and take the moral responsibility by tendering his resignation as he has not only failed to streamline the public service delivery in the district but also because of him two extremists are free.*

Suggest any other possible option(s). Evaluate all of them and suggest the best course of action, giving your reasons for it.

Approach:

- First identify all the stakeholders involved in this case and how DM's actions after release are going to affect them, including him. His actions should be guided by the ethical principles and qualities of a public administrator – courage, integrity, compassion etc.
- Then, taking into account all the given suggestions, student is expected to devise an all-encompassing approach to deal with the situation, so that every stakeholder's issues are resolved to a larger extent.

Answer:

In order to decide on the most appropriate and effective course of action to be taken by DM, it is important to first clearly identify all the parties involved and how the decisions taken are going to affect them, including the DM himself. So, the other main stakeholders are:

- Local people
- Extremist elements
- Security forces
- Government administration

Based on ethical principles and code of conduct of public officials, the given suggestions regarding course of action by DM with integrity, compassion, confidence and courage, can be evaluated as follows:

- DM has every right to file a criminal case against the extremist elements as he suffered psychological and emotional trauma and agony it caused to his family members. Also, he could be very helpful to locate the hideouts of this violent outfit as he could provide security forces with information regarding some landmarks. However, seeking the transfer would reflect negatively on the commitment of the government to free the villagers from the extremist elements as DM is considered as the agent of change. Also, this decision would raise questions about his integrity and wisdom as public official. Also, this suggestion fails to accommodate remedy measures in order to improve the situation at grass root level.
- During the captivity, DM had opportunity to hear the grievances of the locals and extremists. Treating this as the silver lining from a bad incident, he should take up the review and evaluation of implementation status of various government schemes in his district, consult with his staff regarding problems in the service delivery, and should also issue show cause notices to the errant employees with warning of strict action. Also, he should take measures to involve locals in the decision-making process, so that more efficient and innovative measures can be devised based on local needs. However, this option completely ignores the issues regarding excesses of the police forces and action to be taken against the extremists.
- No doubt, DM should brief the higher authorities about his abduction experience along with concerns of locals, their day-to-day living conditions, so that higher ups can take this into consideration while briefing their superiors and include the issues while formulating the new schemes. But, resignation is not the panacea as it won't solve the problems of locals or reduce the menace of the extremists and more importantly, because he alone is not responsible for implementation of schemes in efficient manner, it's a team work.

Finally, based of critical evaluation of given suggestions, DM can take following comprehensive course of action:

- Help security forces to locate the hideout of the extremists as whatever may be their intentions; violence in any form cannot be justified. Also, he should convey the grievances of locals about the police and paramilitary excesses to higher level officials of Home Ministry.
- Instead of seeking transfer or resigning, he should take the issue head on with courage and confidence, as an agent of change at grass root level and review all the schemes, warn the officials of consequences if there are any wrongdoings and devise more innovative measures with participation of locals to achieve top-down and bottom up policy planning and implementation of schemes with effective monitoring and evaluation mechanism.

5. *Mr. X is the head of an NGO working in the field of environment conservation and protection. He is in dire need of funds for the NGO's operations and payments to his staff. He is approached by an official of a large infrastructure company, who is ready to provide the required funding for the NGO. But, in a quid pro quo, he asks Mr. X to raise objections over the bypassing of Environmental Impact Assessment (EIA) norms in an ongoing PPP project through his NGO. This project is being implemented by a rival infrastructure company. Mr. X knows that there have been instances of high level corruption in the process of granting EIA to mega projects and the information provided by the official seems to be authentic. Hence, he accepts the money and agrees to raise the objection.*

Student Notes:

(a) Considering the circumstances of the case, is Mr. X correct in accepting the money? Give appropriate reasons for your answer.

(b) If you were in place of Mr. X, what would have been your course of action? Give reasons for it.

Approach:

- Briefly mention the case summary and ethical issues involved.
- Examine whether Mr. X is correct in his action.
- Mention what you would have done, giving appropriate reasons for the same.

Answer:

Case Summary: Mr. X running an NGO is asked by a corporate to raise objections about laxity in granting EIA approval to a project of a rival corporate in exchange of funding to the NGO. Convinced that these objections are true, he agrees.

- (a)** In this case several ethical issues arise before Mr. X which cloud his apparently good action:
- **Means v/s End:** Though the end result of his action will be highlighting the corruption, but his motive is questionable. Highlighting corruption to get funding conflates arguable means to achieve desired ends.
 - **Environmental ethics v/s personal ethics:** His action is eventually going to benefit the environment conservation and protection but this occurs at the cost of his integrity.
 - **Organisational benefit v/s organizational ethics:** Again the organisation is benefitting by receiving the funds it direly needed but at the cost of compromise of organizational ethics of transparency in funding and objective decision making without quid pro quo.
 - **Truthfulness of charges:** It is only mentioned that charges seem authentic. Before agreeing to raise them, it is expected that he verifies them on his own.

Thus, it may appear that his action was pragmatic and necessary for survival of NGO and eventually beneficial on counts of tackling corruption and protecting environment. Yet, this action can't be justified on account of personal and organizational values. Benefits notwithstanding, it will set a wrong precedent and he is letting his NGO being used as a tool in corporate rivalry. It will affect the objective and impartial conduct of the NGO, which is of utmost importance for NGOs working in critical fields with so much public interest at stake. Dearth of money is a problem which many social organizations face. Accepting money in circumstances such as the one seems an easy way out but not the right way.

(b) If I would have been in the place of Mr. X, I would have taken the following course:

- Independently inquire about the charges that have been presented before me so that truth is not compromised.

- I would refuse to take money in exchange for raising the objections as it would be in line with my commitment to organizational values and personal integrity.
- I would discuss the situation with my employees and ask them to accept cuts in pay for a brief period. I would make them understand the importance of serving public interest, which is the motto of any NGO against being an instrument to beat competition.
- If the charges are found to be true it would have to be raised anyway with authorities.
- If they are found to be false, I would report the matter to appropriate agencies like Competition Commission etc. mentioning how campaign to malign the image of competitors is being undertaken.
- Meanwhile, I will raise funding requests with other potential donors or ask past donors for urgent funding making them aware of the crisis that the NGO is undergoing.
- If we keep our ethical and moral standards high it will continuously reflect in our work. This will encourage honest and public oriented donors to help us and show belief in us. This will be a morale booster for the organisation in the long run and it would further reinforce our commitment in honestly serving the public interest.

Student Notes:

Thus, without compromising with my values and organizational ethics, I can expect to overcome the crisis while doing the needful for the cause of environment. Though difficulties will arise, they can be overcome eventually without ceding ethical ground.

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CORPORATE GOVERNANCE

Student Notes:

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1. Introduction

Student Notes:

India adopted Liberalisation, Privatisation and Globalisation reforms in 1991 and successfully moved towards an open economy. Since then stock markets have seen an increase in size. Corporate governance has played an important role in the present economic condition of India.

Corporate Governance is defined as a set of **systems, principles and processes** which ensure that a company is governed in the **best interest of all stakeholders**. It is a system that comprises of employees, customers, management and shareholders.

Corporate governance has to ensure that companies stick to their vision and mission and uphold and sustain their core values.

2. Evolution of Corporate Governance in India

The present regime of corporate governance in India has undergone many changes. Some of the important phases in the evolution of corporate governance in India are as follows:

- After the Cadbury Committee Report in UK, some committees were constituted by SEBI, ASSOCHAM and Indian government to recommend framework for **Good Corporate Governance**, such as-
- **Desirable Corporate Governance Code (1998)**: It laid down four ideals, which should be the guiding force of a company's philosophy on Corporate Governance: Transparency; Accountability; Disclosure and Value creation.
- **Kumar Mangalam Birla Committee and Narayana Murthy Committee Report**: Both were set up by SEBI. They recommended a framework for corporate governance in India, to strengthen the responsibilities of audit committees and improve the quality of financial disclosures.
- **Corporate Governance Voluntary Guidelines, 2009**: It emphasized on the- Role of board in shareholders and related party transactions; Separation of the offices of the Chairman and the Chief Executive Officer; Whistle Blowing Policy and Risk Management Framework.

Finally, **the Companies Act 2013** made Corporate Social Responsibility (CSR), a mandatory legal requirement and provided with a legal framework for good corporate governance. The cultivation of good corporate governance is an ongoing process in India. All these phases contributed to this process.

3. Models of Corporate Governance

Corporate governance systems vary around the world. Some of the important models are-

- **Anglo American model**: This model is focused on separation of ownership and control. All important decisions are taken after getting approval of shareholders.
- **German Model**: Also called two-tier model. Majority of shareholders are banks and financial institutions.
- **Indian Model**: It is a mix of Anglo-American Model and German model. There are three types of Corporations viz. private companies, public companies and public sectors undertakings (which includes statutory companies, government companies, banks and other kinds of financial institutions). Each of these corporations has a distinct pattern of shareholding. For e.g. in case of Private Companies, the promoter and his family have almost complete control over the company. They depend less on outside equity capital.

However, no model of corporate governance is successful **unless the principles and functions of corporate governance are followed in letter and spirit**.

4. Principles and Functions of Corporate Governance in India

Student Notes:

Corporate governance includes following principles and functions:

- **Independence of board of directors** to take decisions in best interest of **Profits** of the company, **People** of the society and the **Planet (3Ps)**.
- **Fairness in actions in market** that ensures trust of the shareholders and investors. **Excessive profit seeking behaviour through fraud practices** is against this principle.
- **Social responsibility:** Good corporate governance requires that the business be done in a socially responsible manner. Companies should invest in **building social and human capital**.

Following these principles, good corporate governance becomes a means to support **economic efficiency**, usher in **sustainable growth** and achieve **financial stability** i.e. the **triple bottom-line**. To follow the principles diligently and to function responsibly a good framework is required.

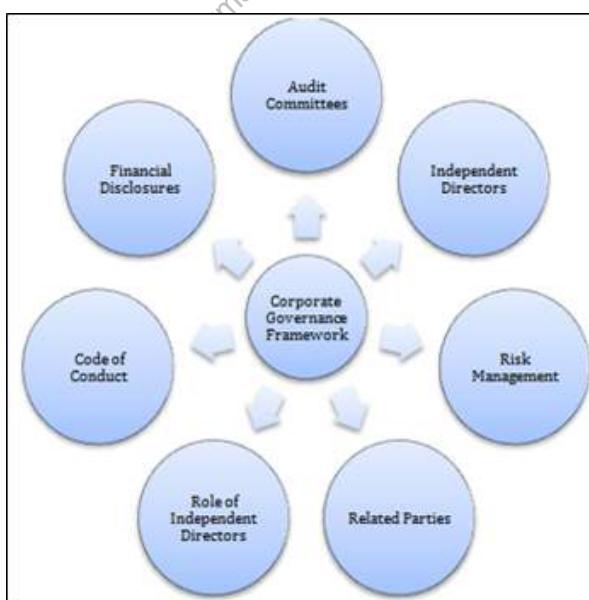
Functions of Corporate Governance



5. Importance of Good Corporate Governance

Good corporate governance is vital for the prosperity of an economy. Some of the key aspects of its importance are as following;

- **To enhance corporate sustainability:** The board members act in the best interest of the shareholders. It helps build trust in the organisation and enhances its sustainability in the long run. It also emboldens risk management system.
- **Lawful and ethical conduct of the company:** Helps develop a culture of commitment to **integrity, fairness, honesty, transparency and ethical conduct**
- **Shareholders activism is valued and encouraged:** Shareholders enjoy the right to participate in the governance and receive fair treatment from the management and board. Stakeholders rights are delineated and communicated. Shareholders are regularly apprised and sensitized about the company affairs. Aware and proactive shareholders bring necessary and timely reforms in the governance.



- **Improves information flow** between management and boards for an efficient functioning.
- **Improve gender equity and diversity:** Good corporate governance is also required for regular and proper gender sensitisation of the employee so as to develop a healthy and participatory work culture. It helps break glass ceiling and diversifies board membership.
- **To improve functioning of the boards:** Good corporate governance curtails **nepotism and favouritism** and thereby helps fill the capability gap in the organisations.

Good corporate governance is in increasing demand in the current scenario as the inequalities are rising globally. While many organisations are playing important and responsible role in the societal development, few are also engaged in unjust behaviours which needs to be curtailed in a timely manner.

6. Issues of corporate governance in India

In the recent past there have been several instances of corporate governance failures, including IL&FS, DHFL and Jet Airways. Corporate frauds for profit maximisation have **eroded the public trust**. All the ethical codes are being subverted to maximise profits. This forces us to identify the issues and challenges that corporate governance in India is facing, which includes-

- **Accountability and Risk Management:** Many companies have poor risk management, poor internal audit, statutory audit and weak whistle blowing policies. Top management, in many cases overrode the internal control mechanisms. This fosters a culture of impunity. For example, **Reebok India case** where governance and operations in the company were mismanaged.
- **Poor transparency and lack of fairness in affairs:** Many companies suffered **disclosure lapses**, as witnessed with Franklin Templeton India and Sun Pharma Ltd. Some companies also suffered **insider trading** such as Aptech India Ltd.
- **Inadequate monitoring and response failure by regulatory authorities:** The speed with which regulatory changes have been brought in, the enforcement machinery has not been strengthened with that speed. As a result, the oversight by regulators still remains weak.
- **Independent directors associated challenges:** In most companies, the nomination committee, nominates independent directors only with the approval of the promoter or controlling shareholder or the incumbent management. Therefore, even today, the question 'how independent are independent directors' remains valid.
- **Family ownership:** There are two key aspects which are as following;
 - Family ownership is the most practiced model in India. There is a close-knit group of corporate leaders. A highly concentrated shareholding could increase governance and key-man risks and therefore is detrimental to good corporate governance.
 - **Promoter's emotional attachment** to the company acts as a blinder and he/she cannot take the right decisions at the right time in the interest of the company. For example; **Naresh Goyal's** reluctance to relinquish control of **Jet Airways**. Similarly, turbulence in Infosys due to **Narayana Murthy's** emotional attachment to the company even after creating an independent board and distancing himself from the management of the company.
- **Lack of succession planning and capital allocation mechanism:** Companies have often been found clueless about the successor of the founding directors. Most of the companies lack good succession planning. For example, big corporations like **Infosys** have failed to find a replacement of **Mr. Narayan Murthy**.
- **Lack of Diversity:** Corporate boards lack diversity. The representation of other genders in the boards is nominal. **France and Norway** have mandatory **40%** board representation. The regulatory requirement in **Austria, Belgium, the Netherlands, Italy, and Germany** ranges between **30%** and **40 %**. In **India**, women only accounted for **17%** of the board seats for Nifty 500.

The recent scam in the Punjab National Bank was also a result of poor corporate governance, under which fraudulent letter of undertaking worth US\$1.4 billion were issued by the PNB.

Student Notes:

PNB's Seven Deadly Sins



When a company involved in trade finance seeks funding, the bank in India fixes credit limit, and the process of issuance or an LoU (which can be presented at a bank branch overseas) begins. Requests for loans or LoUs for large amounts have to be approved by the senior management. It is not clear what exactly happened in PNB's case.



A SWIFT message is sent to the overseas branch by a three-stage process that usually involves three officials: maker, verifier and authoriser, each with different logins and passwords. In the PNB case, the same person carried out two functions, initial investigations indicates.



SWIFT transactions are linked to the bank's Core Banking Solution (CBS), which has the transaction histories of all customers, and can be accessed by all branches where a customer has an account. This is automatically seen by senior officials whenever the amount is big. The scamsters allegedly delinked SWIFT from the CBS for all companies linked to Nirav Modi and Mehul Choksi, even though LoUs of other firms were routed through the SWIFT-CBS system. Thus, instructions went through without being recorded in the CBS.



The SWIFT-CBS integration is natural and seamless in a bank's computer network. It is unusual that the bank's IT department did not detect their delinking in certain cases. That this went on for seven years indicates connivance or gross neglect. The very issuance of LoUs - even before the SWIFT stage - for such huge amounts without red flags going up is a major internal failure.



Whenever such huge amounts are sent through SWIFT, daily reports are generated. It's not known why officials at no level received any part in the case of Modi and Choksi. The bank's vigilance department, fraud management committee, internal and external audits, no one seems to have noticed.



SBI Chairman Rajnish Kumar has said that an official is not kept in position for more than three years, and some sensitive positions are monitored very closely. One of the bankers who has been arrested was reportedly handling transactions to provide credit to Nirav Modi's firms for seven years. It is baffling how this played out for so long, with a handful of staffers seemingly gaming the system.



When an LoU is issued, the receiving bank sends a letter of confirmation to the issuing branch and its controlling offices such as the regional or zonal office. It is not clear whether receiving banks in this case sent such letters and, if they did, why the receipt of the letters did not raise an alarm in PNB.

It has been found that many of the recent corporate governance failures were due to the issues associated with Independent directors and therefore it requires special attention.

7. Independent Directors

An independent director is defined as a **non-executive director** of a company who does not have any fiduciary relationship with the company, and/or has not been an executive with the company in the three preceding financial years. Independent directors are the "conscience" of the board.

The number of independent directors is set to a minimum of one third of board strength and they are required to hold at least one separate meeting in a year without the participation of non-independent directors. The key role and functions of Independent directors are as following:

Role and importance of Independent Directors

- Fraud prevention and detection,
- Protecting interest of minority stakeholders,
- Mediating in situations like conflict between management and shareholder's interests,
- Improving corporate credibility
- Risk management of the company
- Playing a supervisory role in the company.
- To keep themselves updated about the company and its external environment and
- To not disclose confidential information of the company unless approved by the board or required by law.
- Prime role in naming and removing Executive directors of a company.
- As a regulatory authority they are vested with sole responsibility to monitor proper conduct and impartial judgment owing to the interests of investors.
- to act as a strong instrument to check intended corporate scandals.

Hence, they are expected to act as a strong instrument to check intended corporate scandals. However, in the recent past experiences like ILF&S and DHFL disclosed that the independent directors are not fulfilling their roles and responsibilities.

7.1. Issues and challenges that Independent Directors face

Some of the issues and challenges faced by Independent directors are as following;

- **Appointments related issues:**
 - **Political partisanship:** Companies Act is not followed in letter and spirit and therefore most of the independent directors are not independent. e.g. The appointment of leaders of ruling party as independent directors in PSUs.
 - **Favoritism and Nepotism:** Induction of Independent directors who are either known to the promoter of top management of the company ignores the capability gap in the board. Consequently, most independent directors do not have a complete understanding of a complex business model, organisation structure and contexts. e.g relatives in private corporate organisations do not augur well for their objectivity.
- **Reliability issues:** Independent directors exit whenever they smell trouble. Strict enforcement of independent director's accountability for the omission and commission by the company drives away 'good' independent directors.
- **Lack of board evaluations:** 2016 report by InGovern cited that, under its 5-star rating system, only five of the top 100 companies merited three stars for providing effective board evaluations.
- The average take home remuneration of independent directors increased by 21% in fiscal year 2015-16. This reveals that provisions regarding their non-remuneration for their objectivity and transparency may have been compromised (Prime Database)

There needs to be further clarity on the role of independent directors so that there is no conflict of interest in the company and legal provisions have to ensure that they have no financial stake in the company. Finally, independent directors need to operate on their own moral compass and self-confidence. Their independence comes from the fact that they can interact with anybody and everybody who is willing to give them inputs.

8. Corporate Social Responsibility (CSR)

CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities and all other members of the public sphere who may also be considered as stakeholders.

Corporate Social Responsibility can be explained as:

- **Corporate** - means organized business
- **Social** - means everything dealing with the people
- **Responsibility** - means accountability between the two

CSR has become an established part of the global corporate landscape. It means when a corporation goes beyond making profit and engages in actions that results in social good.

8.1. Government mandate for CSR

Companies with a net profit of RS 5 crore should spend 2% of their average profit in the last three years on **social development-related activities** such as sanitation, education, health care and poverty alleviation, among others, which are listed in Schedule 7 of the rules.

8.2. Need of CSR

The resources and abilities of governments in the developing world are limited. Organisations (Public or Private), therefore through CSR can play vital role in supporting government in the development process. Apart from this, it also helps as-

- **Creates a favourable public image:** The reputation or brand equity of the products of a company which understands and demonstrates its social responsibilities is very high. For example, TATA is known for Trust, Honesty and Integrity.
- **Encourage social involvement of employee:** Employees like to contribute to the cause of creating a better society. Employees become champions of a company for which they are proud to work.
- **Coalescing societal and organisational goals:** Society gains through better neighbourhoods and employment opportunities, while the organisation benefits from a better community, which is the main source of its workforce and the consumer of its products.
- **Gives greater freedom and flexibility in decision-making:** The company's social involvement discourages excessive regulation or intervention from the Government or statutory bodies, and hence gives greater freedom and flexibility in decision-making.
- **Encourages co-operative attitude and healthy competition:** The good public image secured by one organization by their social responsiveness encourages other organizations in the neighborhood or in the professional group to adapt themselves to achieve their social responsiveness.

More companies are complying with CSR funding norms (According to India CSR Survey Report 2019) over a period of time in India. Some companies are even going beyond the mandatory norm of 2% annual funding. However, it has also been observed that CSR is facing some peculiar issues and challenges which are discussed below.

8.3. Issues with CSR

CSR is failing to deliver for both companies and society. It is often too peripheral to the core business model, too far from providing real shared value for the society. Role of private sector in meeting its social responsibility is increasingly questioned due to various reasons such as:

- **Eyeing profit and displaying greed:** CSR is also seen by companies from profit motive as it enhances their image in society.
- **Lack of specialists:** Most corporate either don't hire specialists for CSR or don't have that capacity. This impacts the efficiency of CSR.
- **Transparency Issues:** NGOs or local agencies **do not disclose the information** about their programs, address concerns, **assess Impacts and utilize funds**. This **lack of transparency** creates an indelible impact on the relationship and **trust** between the companies and local communities which is the key to the success rate of any CSR initiative.
- **Imbalance in CSR spending:** Most of the CSR funds are spent in a handful of activities like **education and health**, where companies either donate to specialized organisations or their

Student Notes:

own enterprises in these sectors. Others like sanitation, infrastructure, etc. get very limited share.

- **Geographic equity:** Five states: **Maharashtra, Gujarat, Andhra Pradesh, Rajasthan and Tamil Nadu** account for well over one quarter of all CSR funding. Towards the **bottom of list** are **Nagaland, Mizoram, Tripura, Sikkim and Meghalaya**-all from North-east. It reflects the **inclinations, interest and priorities** of the business sector.
- **Contradictory nature of CSR law:** CSR is fundamentally an **inspirational exercise**, and it is very difficult to legislate aspirations. For example, it would be difficult to build “**excellent schools**” the legal requirement can be met merely by spending money on education.

Thus, there are demands for greater corporate accountability.

8.4. Way Forward

Following measures can be taken by organisations to improve their CSR funding efficiency and effectiveness;

- **Encourage two-way communication:** To build and sustain successful partnerships, companies and NGO should communicate regularly. Substantial donors may get a board or steering committee position in the NGO, as in the case of the **Village Transformation mission (VTF) in Maharashtra, where Tata Trusts, Deutsche Bank and HUL** are all part of the steering group.
- **Collaboration and co-creation:** Involving proactively with partner NGO's as true partner and attend joint meetings. Companies should make valuable suggestions to bring in more professional approach.
- **Putting in an accountability regime:** Companies should set clear objectives and expectations for aligning different stakeholders. **Due diligence and stringent monitoring** of implementing agencies is necessary.
- Companies should go beyond CSR, to **CSV i.e. creating shared value**.
- New proposed changes to laws such as **punitive action and stringent disclosure norms** should be passed and implemented to embolden the CSR.
- Companies should diversify their spending areas so as to **bring in equity**.

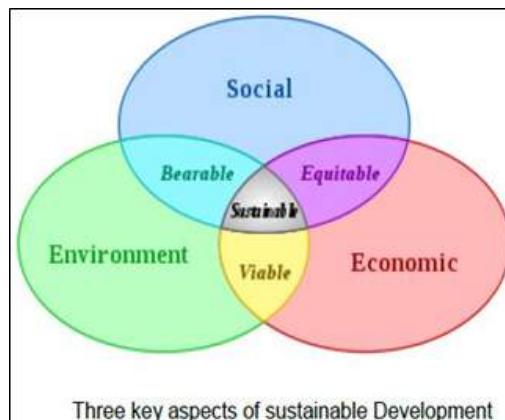
Organisations need to build in a culture of socially responsible behaviour and should not restrict themselves just to the allocations of the funds. A willingness on the part of organisations is necessary to **align intentions with action**.

9. Corporate sustainability

Corporate sustainability encompasses strategies and practices that aim to meet the **needs of stakeholders** today while seeking to **protect, support and enhance** the **human and natural resources** that will be **needed in the future**.

9.1. Key Drivers to ensure sustainability

- **Internal capacity building strength** – in order to convert various risks into competitive advantage.
- **Social impact assessment** – in order to become sensitive to various social factors, like changes in culture, living habits etc.
- **Repositioning capability** through **development and innovation**.
- **Crystallisation** of all activities to ensure consistent growth.



These may be derived by converting risks arising out of **economic, environmental and social** activities of a corporate into business opportunities keeping in mind the **principles of sustainable development**.

9.2. Recent steps taken to improve Corporate Governance:

Government constituted **Uday Kotak Committee** to look into the affairs of **corporate governance** and formulate a report consisting of the recommendations to improve corporate governance standards in India. **SEBI accepted 40 recommendations** out of 81 made by Kotak panel, 18 were rejected and 8 have been referred to other agencies Some of the important recommendations are as following:

Kotak Committee Recommendations:



Independent Directors

- » Their strength should be increased from **33% to 50%** of the board **to protect small investors**.
- » No board meeting can be conducted without the presence of an independent director.
- » Suggested measures so that independent directors inducted in the board are truly independent.

Regarding Audit:

- » An **audit committee** to look into **utilization of funds** infused by a listed entity into unlisted subsidiaries, including foreign subsidiaries.
- » It covers issues in **accounting and auditing practises** by listed companies and seeks to **improve the effectiveness of board evaluation practises**.

Strengthening the regulator:

- » Strengthening the **role of the market regulator** to improve the governance practises at listed entities.
- » SEBI should have the **power to act against auditors** if the need arises.
- » SEBI to develop capabilities to be **able to regulate listed companies** more effectively and protect the interests of small shareholders.

Other Reforms:

- » For government companies, it recommended that the **board have final say on the appointment of independent directors** and not the nodal ministry.
- » It made some radical suggestions to improve the safeguards and disclosures pertaining to related-party transactions.
- » It seeks to address the issues faced by minority investors on voting and participation in annual general meetings.

Apart from above, following steps have been taken-

- **Punitive action and setting the accountability:** SEBI is planning **punitive action** in several big cases including alleged corporate governance lapses by Raymond Ltd and InterGlobe Aviation Ltd, fund diversion at CG Power and Industrial Solutions Ltd and NSE's algorithmic trading and co-location case.
- **To build trust:** Government amended the Companies Act 2013 for the re-categorisation of 16 'compoundable offences' to 'civil defaults', and also set up the Company Law Committee, which has recommended further reclassifying 46 offences.
- **An Independent director data base** has been set up to register experts. SEBI is in process of strengthening norms of related party transactions.

10. Moving towards Good Corporate Governance

Student Notes:

A combination of **global practices**, **existing legal provisions**, **good to have principles** and **forward-looking concepts** comprise the next level of corporate governance. Following recommendations can be considered as what more can be done to achieve Good corporate governance

- **Right board leadership** is essential to develop the culture of commitment to **integrity, fairness, honesty transparency and ethical conduct**. This culture must be disseminated to all the employees through training programmes.
- Companies need to put in place clear policies and practices for **zero tolerance** for bribery, corruption, anti-corruption practices, to **prevent market manipulation**, as also precautions to **prevent money laundering**.
- The **integrity of financial statements** is foundation of **stakeholder's trust**. The functioning audit committees is critical to building **internal controls**. All information should be made available to auditors, including through **direct engagement** between **audit committees and auditors**.
- The **process of de-criminalisation** of business laws should be continued.
- Concepts and **principles of governance** for a company need to **embrace all stakeholders**, including the government, lenders, creditors, employees, customers, vendors and the community.
- **OECD Document on Corporate governance reforms**: It cites certain immensely valuable recommendations such as
 - **Providing training** to independent directors on the business of the company
 - **Improving investor education** for better participation at General Meetings
 - **Improving selection mechanism** for independent directors

Good corporate governance, going beyond the letter of law promotes ease of doing business and thereby adds to growth.

11. Previous year UPSC Mains Questions

1. Corporate Social responsibility makes companies more profitable and sustainable. Analyse.

12. Previous Year UPSC Mains Case Studies

1. ABC Ltd is a large transnational company having diversified business activities with a huge shareholder base. The company is continuously expanding and generating employment. The company in its expansion and diversification programme decides to establish a new plant at Vikaspuri, an area which is underdeveloped. The new plant is designed to use energy efficient technology that will help the company to save production cost by 20%. The company's decision goes well with the government policy of attracting investment to develop such underdeveloped regions. The government has also announced tax holidays for five years for the companies that invest in underdeveloped areas. However, the new plant may bring chaos for the inhabitants of Vikaspuri region, which is otherwise tranquil. The new plant may result in increased cost of living, aliens migrating to the region, disturbing the social and economic order. The company sensing the possible protest tried to educate the people of Vikaspuri region and public in general that how it's corporate social responsibility (CSR) policy would help overcome the likely difficulties of the residents of Vikaspuri region. In spite of this the protests begin and some of the residents decided to approach the judiciary as their plea before the Government did not yield result.
 - (a) Identify the issues involved in the case.
 - (b) What can be suggested to satisfy the company's goal and to address the residents concerns?

2. A fresh engineering graduate gets a job in a prestigious chemical industry. She likes the work. The salary is also good. However, after a few months she accidentally discovers that a highly toxic waste is being secretly discharged into a river nearby. This is causing health problems to the villagers downstream who depend on the river for their water needs. She is perturbed and mentions her concern to her colleagues who have been with the company for longer periods. They advise her to keep quite as anyone who mentions the topic is summarily dismissed. She cannot risk losing her job as she is the sole bread-winner for her family and has to support her ailing parents and siblings. At first, she thinks that if her seniors are keeping quiet, why she should stick out her neck. But her conscience pricks her to do something to save the river and the people who depend upon it. At heart she feels that the advice of silence given by her friends is not correct though she cannot give reasons for it. She thinks you are a wise person and seek your advice.

Student Notes:

- a) What arguments can you advance to show her that keeping quiet is not morally right?
b) What course of action would you advise her to adopt and why? (250 words) 20

3. A private company is known for its efficiency, transparency and employee welfare. The company though owned by a private individual has a cooperative character where employees feel a sense of ownership. The company employs nearly 700 personnel and they have voluntarily decided not to form union.

One day suddenly in the morning, about 40 men belonging to political party gate crashed into the factory demanding jobs in the factory. They threatened the management and employees, and also used foul language. The employees feel demoralized. It was clear that those people who gate crashed wanted to be on the payroll of the company as well as continue as the volunteers/members of the party.

The company maintains high standards in integrity and does not extend favours to civil administration that also includes law enforcement agency. Such incident occur in public sector also. (20 Marks) (250 Words)

(a) Assume you are the CEO of the company. What would you do to diffuse the volatile situation on the date of gate crashing with the violent mob sitting inside the company premises?

(b) What can be the long term solution to the issue discussed in the case?

(c) Every solution/action that you suggest will have a negative and a positive impact on you as (CEO), the employees and the performance of the employees. Analyse the consequences of each of your suggested actions.

4. One of the scientists working in the R&D laboratory of a major pharmaceutical company discovers that one of the company's bestselling veterinary drugs has the potential to cure a currently incurable liver disease which is prevalent in tribal areas. However, developing a variant of the drug suitable for human being entailed a lot of research and development having a huge expenditure to the extent of Rs. 50 crores. It was unlikely that company would recover the cost as the disease was rampant only in poverty stricken areas having very little market otherwise.

If you were the CEO, then (20 Marks) (250 Words)

(a) Identify the various actions that you could take

(b) Evaluate the pros and cons of each of your actions

13. Previous Year Vision IAS Mains Test Series Questions

1. *Corporate governance is about ethical conduct in business. Comment.*

Answer

- Corporate governance is the system of internal controls and procedures by which individual companies are managed. It provides a framework that defines the rights, roles and responsibilities of different groups – management, board, and controlling as well as non-controlling shareowners.

- At its core, corporate governance is the arrangement of checks, balances, and incentives a company needs to minimize the conflicting interests between insiders and external shareowners.
- Increasing revelations of deterioration in quality and transparency in companies, have called for the adoption of internationally accepted 'Best Practices' or 'Business Ethics'. It is the acceptance of these that has given rise to the concept of 'Corporate Governance'.
- Thus the term 'Corporate Governance' encompasses commitment to values and ethical business conduct to maximize shareholder's interests on a sustainable basis, while ensuring fairness to all stakeholders including customers, employees, and investors, vendors, government and society at large.
- Corporate Governance influences how the objectives of the company are set and achieved, how risk is monitored and assessed and how performance is optimized. Sound Corporate Governance is therefore critical to enhance and retain investors' trust.
- When ethical dilemmas arise due to conflicting interests of the parties involved, managers usually make decisions based on a set of principles influenced by the values, context and culture of the organization.
- Ethical leadership is also good for business as the organization is seen to conduct its business in line with the expectations of all stakeholders. On the other hand, unethical behaviour is inimical to the interests of stakeholders of a business in the long run. It is this, which gives weight to adoption of Corporate Governance.
- Hence, Corporate Governance is nothing but the moral or ethical or value framework under which corporate decisions are taken.

2. *Discuss the recommendations of Narayana Murthy Committee on Corporate Governance?*

Answer:

The Securities and Exchange Board of India (SEBI) had constituted a Committee on Corporate Governance in 2002, in order to evaluate the adequacy of existing corporate governance practices and further improve these practices. It was set up to review Clause 49, and suggest measures to improve corporate governance standards.

The terms of reference of the committee were to:

- Review the performance of corporate governance; and
- Determine the role of companies in responding to rumour and other price sensitive information circulating in the market, in order to enhance the transparency and integrity of the market.

The issues discussed by the committee primarily related to audit committees, audit reports, independent directors, related parties, risk management, directorships and director compensation, codes of conduct and financial disclosures.

The committee's recommendations in the final report were selected based on parameters including their relative importance, fairness, accountability, transparency, ease of implementation, verifiability and enforceability.

The key mandatory recommendations focused on:

- Strengthening the responsibilities of audit committees;
- Improving the quality of financial disclosures, including those related to related party transactions and proceeds from initial public offerings;
- Requiring corporate executive boards to assess and disclose business risks in the annual reports of companies;

- Introducing responsibilities on boards to adopt formal codes of conduct; the position of nominee directors; and
- Stock holder approval and improved disclosures relating to compensation paid to non-executive directors.

Student Notes:

Non-mandatory recommendations included:

- moving to a regime where corporate financial statements are not qualified;
- instituting a system of training of board members; and
- evaluation of performance of board members.

Analysis

- This recommendation, would be instrumental in breeding indiscipline as most likely the audit committee would be flooded with frivolous complaints and minor issues.
- Many complainants might go by their personal likes and dislikes and thus the possibility of the right of access to the audit committee being misused would always be there.
- The committee had not said anything on providing evidence in support of a complaint, disclosure of the identity of the complainant and the maximum number of complaints that an employee could make in a year.
- Elimination of unethical or improper practices is the responsibility of respective corporate promoters and management.
- The Narayana Murthy panel is for restricting the tenure of non-executive directors to three terms of three years each, running continuously.
- Representatives of a promoter remain on the board of a company as non-independent directors. The recommendation now made rules out continuation of promoter-directors on the board beyond nine years at a stretch.
- It needs to be clarified whether a partner of an audit firm or a solicitor's firm can be treated as an independent director of a company if his firm is the auditor or legal advisor of another company in the same group.

3. What is corporate governance? How is it important in the Indian corporate sector? How will the mandatory provision of corporate social responsibility change the perception of private sector in the eyes of common man?

Approach:

The answer should deal with the basics of corporate governance; its basic features and the importance it plays in management and regulation of private sector. The second part deals with the issue of CSR; the answer should deal with the role played by CSR in initiating welfare activities for the people and how it helps in overall upliftment of the society.

Answer:

Corporate governance can be defined as a set of system, process and principles, which ensure that a company is governed in the best interest of all the shareholders. It ensures:

- Adequate disclosures and effective decision making to achieve corporate objectives.
- Transparency in business transactions
- Protection of stakeholder's interest
- Statutory and legal compliances
- Commitment to values and ethical conduct of business

- Credible and confident investors, which lead to more patient long-term capital at low cost.

Student Notes:

This helps in ensuring that the corporate sector is accountable to all stakeholders including the society at large. For effective corporate governance, its policies need to be such that the directors of the company should not abuse their power and instead should understand their duties and responsibilities towards the company and should act in the best interests of the company in the broadest sense. The concept of 'corporate governance' is not an end; it is just a beginning towards growth of the company for long term prosperity.

The concept of Corporate Governance emerged *in India* after the second half of 1990's due to economic liberalization and deregulation of industry and business. With the changing times, there was also a need for greater accountability of companies to their shareholders and customers. It is important that corporate India must commit itself as reliable, innovative and prompt service provider to their customers and should also become reliable business partners in order to prosper and to have all round growth. Indian Corporate Bodies having adopted good corporate governance will reach themselves to a benchmark for rest of the world; it brings laurels as a way of appreciation. The importance of corporate governance lies in promoting and maintaining integrity, transparency and accountability throughout the organization. Several Indian Companies like PepsiCo, Infuses, Tata, Wipro, TCS, and Reliance are some of the global giants, which have their flag of success flying high in the sky due to good corporate governance.

Corporate Social Responsibility (CSR) is a process, which aims to embrace responsibility for the companies' actions and encourage positive impact through its activities on the environment, consumer, employee, community and all other members of public sphere who may also be considered as stakeholders. By making CSR provisions mandatory under the Companies' bill, it will function as a built in self-regulating mechanism whereby a business monitors and ensures its active compliance within the spirit of the law, ethical standards and international law. The CSR programs could range from overall development of a community to supporting specific causes like education, healthcare, environment etc. These will help in boosting the image of private sector in the eyes of the common man.

4. *What do you understand by corporate ethics? Giving examples, highlight the ethical issues faced by CEOs in the current competitive environment, with special reference to government owned enterprises.*

Approach:

- Explain what you understand by corporate ethics.
- Mention the ethical issues faced by CEOs in a highly competitive environment.
- Expand on the ethical issues faced by CEOs of state owned enterprises.
- Give examples to substantiate your answer, if any.

Answer:

- Corporate ethics includes proper business policies and practices in corporate governance regarding issues such as insider trading, bribery, interests of stakeholders, corporate social responsibilities and fiduciary responsibilities.
- Ethical issues faced by CEOs in a highly competitive environment include adaptation to new technology and innovation while ensuring that manpower is retained, transparency, compliance with government rules, ensuring gender equality and equality of opportunity in the workplace, among others.

- CEOs of state-owned enterprises have to fulfill the twin objectives of commercial efficiency, resulting in profits for stakeholders and fulfilling of social responsibility, as one of the arms of the welfare state.
- They also have to ensure that there is no undue interference of the state in the functioning of the enterprise as excess interference can leave the enterprise vulnerable to being used to achieve short-term political goals to the detriment of its efficiency.
- Additionally, they have to set a level playing field with the private sector as they often receive preferential treatment through access to subsidies, bank credit and procurement contracts.
- Further, they should function with transparency, adhere to compliance procedures, update accounting and auditing practices and disclose the financial statements of the enterprises on time.
- They also have to meet the demands of the workers, who look out for their personal interests in an environment characterized by increased contractual work and increased instances of downsizing by the enterprises.
- CEOs of state owned enterprises have had to manage instances of protests by workers against their decisions when the industrial policies were rapidly changing post liberalization.
- A nation wide scale occurred in 1991 against the government's announced plan to close unprofitable state-owned industries to move the country from socialism toward free-market capitalism.
- Similarly, in September 2016, majority of the trade unions carried out an all India strike to protest against labour reforms, disinvestment in profit-making public sector undertakings and contractualization of workforce.
- In such situations, globally accepted codes like the OECD Code (2005) and guidelines issued by the Department of Public Enterprise (DPE) could be taken as benchmarks for the CEOs to follow.

5. Has excessive profit seeking by corporates undermined the trust of public in the private sector? Giving examples, examine the reasons for failure of corporate governance in India.

Approach:

- In the first part, discuss whether want for excess profits has eroded the trust of public in the private sector.
- In the second part, mention the reasons behind the failure of corporate governance using examples wherever possible.
- In the conclusion, briefly talk about the importance of corporate governance.

Answer:

Private sector is largely driven by 'profits', which are important for sustainability of business operations. However, with increasing instances of corporate frauds and crony capitalism, questions have been raised on the mode of operations of the private sector. It has also been argued that such illegal and unethical practices are traceable to the want of excess profits.

Manifestations of such practices include the Satyam scam, Enron Scandal, Financial Crises of 2008 whereby the public was misled for generating excess profits.

Many see the private sector being driven by self-interest without adequately acknowledging the interest all stakeholders, especially consumers. India's telecom sector is an example. While penetration has increased significantly over the years with

extremely competitive tariffs, the quality of service has left much to be desired with rising instances of call drops.

Student Notes:

This has meant that it is the consumers or the larger public which are at the receiving end. Therefore, while profits are an important factor, it is the race for excessive profits and the corresponding practices to earn those that has undermined the trust of the public in the private sector.

Reasons for the failure of corporate governance in India

- Most corporate governance abuses in India arise due to conflict between the majority and minority shareholders. In India, boards are not as empowered as in several western economies and since the board is subordinate to the shareholders, the will of the majority shareholders prevails.
- There is still a lack of awareness about various issues pertaining to corporate governance, like, quality and frequency of financial and managerial disclosure, compliance with the code of best practice, roles and responsibilities of Board of Directors, shareholders' rights, etc.
- Collusion between companies and their accounting firms, non-compliance with standards, etc. for example, the Enron scandal is also one of the reasons.
- In India, family businesses constitute an important portion of corporate setup. Family control also brings governance problems – which includes lack of checks and balances over executive decision-making and behavior, and a lack of transparent reporting to the outside world.
- The issues of enforcement of corporate governance norms also leave much to be desired. There have been instances of substantial delay in the delivery of justice by Indian legal system.

Corporate governance is perhaps one of the most important differentiators of a business that has impact on the profitability, growth and even sustainability of business. Sound corporate governance is, therefore, crucial for sustained and robust growth which enhances the confidence of not just the investors but the larger public as well. Therefore, there is a need for establishing clear principles of corporate governance keeping in mind the welfare of all the stakeholders. This becomes important as there is greater involvement of private sector in delivering essential services.

6. ***Corporate Governance provides a framework that defines the rights, roles and responsibilities of various groups within an organization. (a) Elaborate the need to incorporate the principles of Corporate Governance to enhance the effectiveness of the public sector enterprises. (b) Identify the challenges specific to the public sector when it comes to the application of good practices of corporate governance.***

Approach:

- Give in brief, the definition and framework of corporate governance.
- Throw light upon the need for Corporate Governance in Public Sector Enterprises.
- Highlight the challenges in corporate governance of Public Sector Enterprises.

Answer:

Corporate Governance is defined as a set of **systems, principles and processes** which ensure that a company is governed in the **best interest of all stakeholders**. It is a system that comprises of employees, customers, management and shareholders.

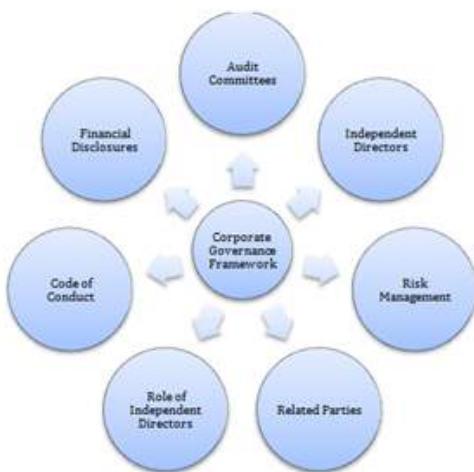
As per World Bank, 'Corporate Governance is concerned with holding a **balance between economic and social goals and between individual and community goals.**'

(a) With 24/7 social media alerts, as well as scrutinized government budgets, past scandals, and legislation around the world targeting corruption, there is an increased demand for accountability. Public skepticism, combined with unprecedented transparency, is placing everyone under scrutiny. The boundaries of accountability and responsibility are rapidly expanding, challenging individuals in authority to consider the public and its agenda.

Consequently, a well-functioning public sector, delivering quality public services consistent with citizen preferences that fosters market growth while managing fiscal resources prudently, is considered critical.

Due to high concentration of wealth within the public sector, state-owned enterprises, play a key role in society. As such, effective governance within the public sector would encourage efficient use of resources, strengthen accountability for the stewardship of those resources, and improve management and service delivery, thus contributing to enhanced quality of living. Effective governance is also essential for building confidence in public sector entities, which is in itself necessary if public sector entities are to be effective in meeting their objectives.

Framework of corporate governance (Kumar Mangalam Birla Committee Report on Corporate Governance)



(b) The organizational challenges peculiar to Public Sector Enterprises in institutionalizing corporate governance comprise of:

- The focus of governance in companies is on the board of directors. However, in the context of public sector, boards are sometimes difficult to identify and define, as they operate in different statutory and managerial frameworks.
- High performance expectations while taking into account diverse socio-cultural environment. The public sector entities have to satisfy a complex range of political, economic and social objectives which subject them to a different set of external constraints.
- Increasing competitive pressure from both public as well as private enterprises.
- Regulatory interference by multiple authorities with different enforcement environments.
- Various stakeholders including ministers, other government officials, the electorate (Parliament), customers and clients, the general public, shareholders, customers etc. may have a legitimate interest in the public sector entities, but not necessarily any 'ownership rights.'
- Entry into new sectors with different types of ethical concerns.
- Balancing employee turnover with market needs of cost cutting.

To conclude, effective corporate governance is essential for building confidence in public sector enterprises – which is in itself is necessary if public sector entities are to be effective in meeting their objectives.

Student Notes:

7. Critically discuss the impediments to corporate governance in India. Also evaluate how the Kotak panel recommendations can help in overcoming them.

Approach:

- Briefly explain corporate governance and need to strengthen it.
- Discuss the impediments to corporate governance in India.
- Discuss the recommendation by the Kotak panel.
- Highlighting the role of board, auditors and regulator to improve corporate governance discuss how recommendations will help in overcoming impediments.
- Discuss other reform measures.

Answer:

Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. It essentially involves balancing the interests of all stakeholders, and is important for attracting investors

Impediments to Corporate Governance in India:

- Though Board of directors is appointed by shareholders, majority shareholders of large corporations in India are individuals or family. Thereby they are ineffective in upholding the interests of small shareholders.
- Compromise of Audit committee; questionable independence of Independent directors from management; complete absence of employment relationships.
- Lack of adherence to regulatory framework and weak enforcement and monitoring systems.
- Lack of transparency and disclosure.
- Business relationships of investors with firms in which they invest.

The Kotak committee has extensively examined the current state of affairs and recommended sweeping changes that will help improve governance and enhance investor confidence. Emphasis has been laid on strengthening the **three gatekeepers**—the board, the auditors and the regulator. It focused on the following:

Independent Directors

- Their strength should be increased from 33% to 50% of the board to protect small investors.
- No board meeting can be conducted without the presence of an independent director.
- Suggested measures so that independent directors inducted in the board are truly independent.

Regarding Audit:

- An audit committee to look into utilization of funds infused by a listed entity into unlisted subsidiaries, including foreign subsidiaries.
- It covers issues in accounting and auditing practises by listed companies and seeks to improve the effectiveness of board evaluation practises.

Strengthening the regulator:

- Strengthening the role of the market regulator to improve the governance practises at listed entities.
- SEBI should have the power to act against auditors if the need arises.

- SEBI to develop capabilities to be able to regulate listed companies more effectively and protect the interests of small shareholders.

Student Notes:

Other Reforms:

- For government companies, it recommended that the board have final say on the appointment of independent directors and not the nodal ministry.
- It made some radical suggestions to improve the safeguards and disclosures pertaining to related-party transactions.
- It seeks to address the issues faced by minority investors on voting and participation in annual general meetings.

Although most of the recommendations in the committee's report are incremental in nature, there are a few far-reaching as well, they aim to strengthen corporate governance further particularly in the realm of implementation. These would help in realizing the objectives of Companies Act 2013 and SEBI's subsequent reforms for improving Corporate Governance.

8. *Good corporate governance is not an end in itself. It is a means to support economic efficiency, sustainable growth and financial stability. Discuss.*

Approach:

- Define good corporate governance.
- Mention as to how it supports economic efficiency, sustainable growth and financial stability thereby acting as a means rather than an end in itself.

Answer:

Corporate governance is the system of rules, practices and processes by which a firm is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community.

Various pillars and principles of good corporate governance helps companies operate more efficiently, improve access to capital, mitigate risk, and safeguard against mismanagement. Corporate governance includes adhering to certain principles - such as:

- Discipline in financial actions and dealing with stakeholders,
- Transparency, accountability and responsibility of the decision makers towards all stakeholders.
- Independence of board of directors to take decisions in best interest of Profits of the company, People of the society and the Planet (3Ps).
- Fairness in actions in market.
- Social responsibility.

Following these principles, good corporate governance becomes a means to support economic efficiency, usher in sustainable growth and achieve financial stability i.e. the triple bottomline.

- Following good corporate governance norms helps to build an **environment of trust, transparency and accountability** so that the financial sector can serve the needs of the economy in terms of access to long term capital and investment. Thus, promoting financial stability.
- Practicing good corporate governance involves **probity, integrity and fairness** in the actions of leaders. This ensures leadership is conscious of its obligations and is ready to account for the commitments it has made towards stakeholders. It also

enhances goodwill of the company amongst public. Thus, ensuring sustainable growth.

Student Notes:

- It also **emphasizes on timely disclosure of information as well as results** rather than processes. The quality of corporate governance affects the cost for corporations to access capital for growth and the confidence with which those who provide capital can participate and share in their value creation on fair and equitable terms. Thus, making economic efficiency a natural consequence of good corporate governance.

Contrastingly, poor corporate governance weakens a company's potential, can lead to financial difficulties and in some cases can cause long-term damage to a company's reputation as can be seen in cases financial scams like Satyam, Sahara etc.

9. *It takes more than a corporate governance policy to inspire ethical behavior and sustain a truly ethical workplace. Discuss.*

Approach:

- Briefly, describe corporate governance policy.
- Provide arguments to bring out the inadequacy of merely the corporate governance policy to promote ethical behavior and suggest how to inspire and sustain ethical workplace.
- Conclude the answer.

Answer:

Corporate governance is the set of mechanisms, rules and practices by which a corporate entity is run. These usually consist of set standards defining code of conduct of the employees, the management and the organization- the ways in which they are expected to act. Important pillars of corporate governance are transparency, accountability, fairness and protection of stakeholders' interest. It is expected that it will ensure the adherence to the legal and ethical practices by all through a compliance policy and statement of values. A corporate governance policy highlights the commitment towards the relevant laws, rules and regulations and constitutes a statement of values, informing the stakeholders about the company's priorities and core belief, thus setting behavioral expectations.

Despite good intentions and sound ethical frameworks under corporate governance policy, the organizations and its employees often do not behave in the manner that the policy advocates. The test of CG Policy is not merely whether a company explicitly has it or not. It must be effective and seen to be working. If employees and the company are not ethical in their day to day behaviour, it denotes a failure of the policy. At the same time, in critical matters where the company/shareholders indulge in unethical practices such as insider trading, secretive corruption, etc., then it reflects that those responsible for enforcement of policy themselves do not believe and follow it. This resort to unethical practices can be due to the following reasons:

- Inability and psychological fear among employees to raise ethical concerns.
- Excessive pressure to achieve unrealistic performance targets.
- The setting of conflicting goals by the organization provokes a sense of injustice and unfairness.
- **Lack of conscious efforts on the part of leaders to set a positive example. For e.g. allegations of misallocation of resources by CEO of a reputed bank sets a bad precedent.**

These instances show that the mere creation of an ethical framework is not enough. It must be backed up by practices such as appointment of auditors who actually maintain

an arms-length relationship with the company. Ethical practices must be visible in decisions and actions of the organization and its employees in the following ways:

- The organization should adopt an open-door policy in letter and spirit
- Leaders must set an example for others to emulate
- Set realistic goals in participation with employees
- Strict adherence to ethical considerations in routine activities
- Recognize the ethical choices and discourage the unethical behaviour
- Develop a system of values within the organization which are strictly adhered to.
- Decisions must be reviewed before finalization.

In an age of corporate mistrust, creating ethical workplaces requires conscious effort that necessitates not only adopting the highest ethical standards, but also their whole-hearted implementation.

10. Companies adhering to the norms of corporate governance emerge as winners in the long run. Evaluate with the help of suitable examples.

Approach:

- Briefly discuss the concept of corporate governance.
- Give reasons with examples why such companies emerge as winners in the long run.
- Justify with examples how companies ignoring corporate governance do not sustain in the long run.
- Conclude appropriately based on the above points.

Answer:

Corporate governance is the system of rules, practices and processes by which a firm is directed and controlled. Corporate governance essentially involves balancing the interests of a company's stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. It also provides the framework for attaining a company's objectives and encompasses practically every sphere of management.

Companies adhering to the norms of corporate governance emerge as winners in the long run because of following factors:

- **Sustainable growth of company:** As it maintains transparency, accountability and responsibility of the decision makers towards all stakeholders. It also involves abiding by the laws and regulations in letter and spirit and ensuring that all statutory obligations are discharged on time. For e.g. Tata Group of companies continues to be one of the biggest conglomerates even after 150 years of its existence.
- **Brings economic efficiency:** As companies ensure discipline in financial actions, it attracts stakeholders', especially foreign institutional investors and also has a positive influence on the market value of the company.
- **Improved risk management:** It encompasses the manner in which board and committee meetings are conducted and decisions are recorded. This mechanism of internal control allows better fraud prevention and detection and conflict resolution between management and shareholder's interests. E.g. HDFC Bank has been able to insulate itself from the NPA crisis, owing to its Corporate Governance Policy.
- **Enhances goodwill of the company:** Adhering to disclosure norms, regular updation of records, regulatory requirements like taking care of minority

Student Notes:

stakeholders etc. leaves a lasting impression in the minds of the people. E.g. Infosys has maintained the value of 'Walk the Talk' and gained the respect of its stakeholders.

- **Continuous feedback loop:** By incorporating customer's feedback and market research in improving service delivery quality. E.g. Hindustan Unilever Co., the most valuable FMCG in India has kept pace with changing times and consumer preferences.

Further, poor corporate governance may be driven by narrow self-interest and lead to failure of meeting long-term commitments, thereby hurting the company's reputation. For example, Satyam and Sahara scandals, Volkswagen emission scandal etc. It can also lead to financial difficulties such as in the case of Kingfisher Airlines.

Recent crises faced by financial giants like YES Bank, IL&FS point towards the importance of strict adherence to the norms of corporate governance, as it is perhaps one of the most important differentiators of a business that has an impact on the profitability, growth and even sustainability of business.

11. *It has been argued that traditional approaches to corporate social responsibility (CSR) are inadequate. Discuss. Also, examine the role of Social License to Operate (SLO) in this regard.*

Approach:

- Brief introduction about Corporate Social Responsibility.
- Why traditional approach is being questioned?
- How SLO (Social License to Operate) can help overcome the problems with traditional CSR?

Answer:

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives. CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities and all other members of the public sphere who may also be considered as stakeholders. Corporate social responsibility (CSR) has become an established part of the global corporate landscape. It means when a corporation goes beyond making profit and engages in actions that results in social good.

However, traditional CSR is failing to deliver for both companies and society. It is often too peripheral to the core business model, too far from providing real shared value for the society. Role of private sector in meeting its social responsibility is increasingly questioned due to various reasons such as:

- **Disregard for societal implications:** The company generates its profits and creates value without much consideration for wider societal impact and benefits.
- **Lack of intention to serve:** It raises funds and makes donations but it has little to do with how they function as a company. It is often too peripheral to the core business model and too far from providing real 'shared value'.
- **Eyeing profit and displaying greed:** There is also a view that CSR is also seen by companies from profit motive as it enhances its image in society.
- **Lack of specialists:** Most corporate either don't hire specialists for CSR or don't have that capacity. This impacts the efficiency of CSR.

- **Imbalance in CSR spending:** Most of the CSR funds are spent in a handful of activities like education and health, where companies either donate to specialized organisations or their own enterprises in these sectors. Others like sanitation, infrastructure, etc. get very limited share.

Student Notes:

Thus, there are demands for greater corporate accountability. Private sector needs a new approach for engaging with the external environment. In this context, Social License to Operate (SLO) can play an important role. It refers to the ongoing acceptance of a company's standard business practices and operating procedures by its employees, stakeholders and the general public.

In order to protect and build SLO, companies are encouraged to first do the right thing and then be seen doing the right thing. This means critically evaluating and re-evaluating supply chains, human resource management and all the other aspects of a business. A company must be seen operating responsibly, taking care of its employees, environment, and being a good corporate citizen.

Thus, 'social license' is a much more useful concept than CSR because it ensures that activities of a business respect the rights of all of those in any community and it can never be self-awarded, it requires that an activity enjoys sufficient trust and legitimacy and has the consent of those affected. Also, it cannot be reduced to a number game as seen in the limits of CSR spending. Thus, social good flows automatically from SLO unlike the CSR where it is effortful.

14. Previous year Vision IAS Mains Test Series Case Studies

1. *A manufacturing company is located in a small town where it is not easy for people to find jobs otherwise. The company has stayed in the town even though it could find cheaper workers elsewhere, because workers are loyal to the company due to the jobs it provides. Over the years, the company has developed a reputation in the town for taking care of its employees and being a responsible corporate citizen, owing to its CSR activities. The manufacturing process used by the company produces a by-product that has been flowing into the town river for some time now. According to some media reports people living near the river have started reporting illnesses off late and there is also damage to aquatic life. People, however, have refused to come forward as their livelihood depends on the company. You being the Sustainability Officer of the company believe it to be your duty to report this to the higher management. You are of the opinion that this matter is associated with the prestige of the company and should be taken seriously. In the meanwhile the new CEO, who has just joined the company, has called you for briefing and understanding the local issues. On the basis of the above case, answer the following: (a) Identify the stakeholders in the case above. (b) What arguments would you put forth to the CEO to convince him to act on this matter?*

Approach:

- Introduce the answer.
- Identify the different stakeholders in the case above.
- Enlist the arguments you'd present to the CEO of the Company to take action in this matter.

Answer:

The present case highlights the trade-off between short term economic gains (both for company and the local population) and long term health and environmental losses. The manufacturing company, though, has maintained huge trust among the people but is

also responsible for certain activities which may not be in good interest of the people and society at large.

Student Notes:

(a) The stakeholders identified in the above case are:

- **Local population of the area and the people staying near the river-** the reported dumping of the harmful by-product in the river has direct health costs for the local population. This may lead to severe issues in the long run.
- **The employees of the manufacturing company-** the functions of the company may be altered by these reports thereby impacting directly the employees of the company.
- **Management of the company-** the management is under direct scrutiny for the actions it takes on this episode. It will also have implications for the company operations at different places as well as for the environment.
- **District and local administration-** they are directly involved as it is the district administration that needs to preserve the livelihood and wellbeing of the population. Also, it is responsible for implementation of rules and regulations that impact the functions of the company.
- **Environment including the river and its aquatic life-** the destruction caused to the river and the aquatic life may be irreversible and therefore, the ecology of the area becomes a legitimate stakeholder in the case.

(b) Since the CEO is new, I as the Sustainability Officer shall update and apprise him of the issues surrounding this matter based on the internal reports and then convince him to take actions giving the following arguments-

- Firstly, since the discharge from the factory seems to be related with the reported incidence of illness and disease, it is a matter of grave concern. The wellness of the employees is, therefore, one of the primary concerns for the company. A healthy workforce is necessary to maintain the productivity and efficiency of the operations of the company.
- Secondly, the brand value of the company is at stake. If the illness spreads due to the actions of the company, it will directly impact the revenues and credibility of the company. The company may lose a lot of its goodwill and thereby lose trust among the people.
- Also, since the case has been already highlighted by the media, it may lead to PILs and other forms of legal challenges for the company. This will be a drain on the resources of the company, alongside the loss of public faith.
- There is an urgency to tackle the matter as it has been reported by the media and there are chances that it gets blown out of proportion. Therefore, objectively dealing with the matter becomes a priority to escape the trial by media, which may also be motivated by self-interested parties.
- Also, there is a long term sustainability issue as degradation of the environment and disturbing the ecological balance of the region may lead to catastrophic damages in the future.

Considering that the company provides jobs to the locals and their overall well-being is essential not only for them, but even for an uninterrupted operation of the company—I shall propose to the CEO to constitute an enquiry to ascertain the details of the phenomenon, in the meanwhile weekly/bi-weekly health camps should be started by the company in the affected areas. A medical allowance should be considered for the employees and also for the affected people on a case by case basis. This could be undertaken via the CSR or Contingency Management funds. Also, I shall convince the CEO to undertake sensitisation drives personally, effective communication programmes on safe health, village to village town halls in the nearby areas so as to build trust among people, about the company's CSR medical drives and goodwill exercises. Further, I would urge transparency and full co-operation with the local administration.

2. You are the chief executive of ABC Ltd., an automotive component manufacturing company. Until recently, all of your production plants were located in City X. However, the cost of production has risen, causing profits to decline. A number of factors have led to an increase in the production costs. First, the union representing the workers in your plant waged a successful strike resulting in increased salary and benefits. A second factor has been imposition of stringent environmental regulations. Shareholders are concerned about the declining fortunes of the company. Many of the competitors have moved their operations to less-developed cities, where the operating costs are less than in City X. ABC Ltd. is a major employer in the city where it is located, and you know that a plant closure will cause economic dislocation in the city. Given the situation, answer the following questions:
- (a) What are the ethical issues involved in this case?
- (b) How can the interests of different stakeholders be reconciled in this case?

Student Notes:

Approach:

- After giving a brief introduction of the facts of the case give the ethical issues involved in the case.
- Suggest a way by which the interest of all parties can be synthesised.

Answer:

An industry is not merely the factory and worker employed. Its working depends crucially on the social environment where it operates and kind of regulations it is subject to. The case given presents a situation where because of rising costs due to multiple factors, relocating the industry is being actively considered. This will lead to economic distress in the city.

(a) Ethical issues involved

- **Corporate Social Responsibility:** Company is economic driver of the region as it gives employment to large number of people. Therefore, relocating it must be weighed accordingly.
- **Profit v/s interest of employees:** Production cost may be reduced by relocation to less developed city, but it will lead to huge unemployment.
- **Transfer of burden:** Is it ethical to cause environmental damage at some other place merely to save production cost?
- **Public versus organizational interest:** Whether relocation is merely for increasing organizational profit or some public interests would also be served?

(b) Reconciling the interests

The various stakeholders and their interests are:

- The shareholders of the company have interests in higher profits, which the high costs in the current city are jeopardising.
- The employees are interested in securing better wages and working conditions, and above all, continuation of employment.
- The local people, as they are economically dependent on the company for their livelihood.
- The society as a whole, as the operations of the company must be environment friendly.

Thus, continuing the operation in City X will protect the economic interest of the people in the region but would be detrimental to the company's profits, while relocating to a less developed city would increase the profit margins, but may lead to a collapse of livelihoods and economy in city X. Also, environment regulations may not be as strict at the new location, thereby increasing pollution.

So, to reconcile these different interests, following steps may be taken:

Student Notes:

- i. Recognition of the social responsibility which the company has and putting across its interests to all the stakeholders in a transparent manner. The company must make all efforts to minimise costs without relocations and by taking into confidence employees, shareholders and local people.
 - ii. If not, then partial shifting of the company to less-developed cities: The Company may restructure its units and determine if shifting some of them to smaller cities may help it to lower the total operating cost. If profitable, it may also consider outsourcing some of the work to other companies who are already operating in small cities.
 - iii. Giving different options to existing employees – such as continuing in marketing or servicing center as per qualification, shifting to the new location or lump sum salary for 2 or 3 months as termination amount.
 - iv. Adopting latest technology to reduce cost of production: This will increase productivity and reduce the environmental damage. Though initial cost of adopting may be high but it will be beneficial to the company as well as the society overall in the longer run.
3. ***Big firms often undertake sub-contracting to complete large infrastructure projects in a timely manner. You recently joined one such firm as a manager responsible for awarding these contracts. Looking at the past records, you find that all contracts for the past few years have been awarded to a particular firm, X. Your superior has asked you to award an upcoming contract to the same firm. Although, not binding, company procedure maintains that sub-contracting work should be offered after competitive bids. This is to ensure that the firm most suitable for the project in terms of operations and finance gets the contract. When you discuss this with your superior, he insists that hiring of the firm X has been done as per legal norms of the company and no official rule has been violated. You decide to contact the owner of the firm X. After doing so, you realize that he is the nephew of your superior, who is also a shareholder in the company.***

Approach:

- State some of the ethical issues in the case.
- Evaluate if a situation of interest is generated due to the relationship of your superior with the owner of firm X and the knowledge of the superior being a shareholder in the company.
- Suggest ways of awarding contracts in the situation, along with their merits and demerits.
- State your eventual course of action in this scenario.

Answer:

Basic Facts: In this situation, the company where I work is repeatedly sub-contracting work to another private firm, X, without holding competitive bids, which should be carried out according to company procedures. The case highlights the issue of conflict of interest, as the owner of firm X is the nephew of my superior and is also a shareholder of the firm.

Stakeholders:

- Myself, as I am the manager of the company, with the responsibility of awarding contracts.
- My superior who is a shareholder of firm X as well as an employee of the company where I work.
- Owner of firm X as the decisions made by our company affect his business interests.

- Owners of other firms who vie for company contracts as they are not getting a fair chance in the bidding process.
- Shareholders of the company who can suffer due to poor decisions.
- Consumers who will be affected by substandard infrastructure.

(a) Some of the ethical issues involved in this case are:

- **Nepotism and compromise on professional integrity:** Subcontracts are being granted on the basis of personal relations, without competitive bids. Due to this, there is no guarantee that the firm most suitable in terms of efficiency and financial aspects gets the contracts.
- **Lack of objectivity in decision-making:** The interests of my superior and his nephew are guiding the decision-making process of the company. There is inherent subjective bias in this scenario.
- **Legal vs Ethical:** It may be legally correct but not ethical as no official rule of the company has been violated, but, it goes against established company procedure.

(b) Transaction between two private parties generates a conflict of interest since the owner of firm X is the nephew of my superior, who has repeatedly directed that the contract be awarded to firm X. Since my superior is also a shareholder in firm X, he is invariably taking business decisions on the basis of personal relations and perceived financial opportunities. He would not be affected much due to poor performance of the company as his family is benefitting, but other shareholders and employees will be affected. Thus, personal interests are directly in conflict with interest of shareholders. Also, they are in conflict with the interest of consumers who expect quality infrastructure.

(c) Possible ways of awarding contracts in such a situation are:

- **Granting the contract to firm X as suggested by my superior.**
- **Merits:** I will remain in good terms with him, may get quick promotion and increment.
- **Demerits:** I will be unethical in my work conduct as a manager. I will also obstruct competitive bidding and play a role in eschewing probable offers that could save the company more money and get the work done more efficiently. I would be compromising my integrity and commitment to interest of shareholders, colleagues and consumers.
- **Refuting my superior and revealing his interest in firm X, while simultaneously organizing the competitive bid.**
- **Merits:** I will follow company procedure and my professional integrity will be upheld.
- **Demerits:** I will go directly against the order of my superior, who can hinder my chances of promotion in the company. I will also violate the established work hierarchy in the company.
- **The most suitable action** will be to talk to my superior about the generated conflict of interest and argue in favour of holding competitive bids. However, if he still refuses to acknowledge the gravity of the situation, I will approach the company head/board regarding the issue. This will ensure that other managers and subordinates are not in a similar position in the future. Meanwhile, I will also accept competitive bid offers and award the contract to the firm most suitable for the job. It will ensure my professional integrity and uphold the interest of all stakeholders.

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1. Introduction

Student Notes:

International ethics is a set of universal values that governs the actions and behaviours of nation states. For example, Human rights are to be protected, aggression by a nation is prohibited, the targeting of the civilians and or hospitals during war is prohibited, Genocide is prohibited.

1.1. Significance of Ethics in International Relations

In a globalised world where geographical boundaries don't exist international, Ethics in International Relations helps in the following ways-

- It brings **fairness** in the world economic order. Through global institutions such as UN and ICJ, it establishes justice.
- It strives to remove poverty, destitution, inequality and prevents genocides and crimes against humanity.
- It follows **humanitarian ethics** and sets rules of exchange between nations. It ensures that relationship between individual and nations be founded upon the principles of democracy and justice.
- It includes areas and debates such as **social justice, human rights, caring for environment across national borders, social responsibility and accountability**, and **interdependence** gained through encompassing world view.

1.2. Theories in International Relations

Theoretical approaches are necessary to understand the International relations and how ethics evolved as a part of the same. Some of the predominant theories are as following;

- **Realism:** Realist believe that the **Universal moral principles** do not govern the state behaviour, rather **interest** govern them. Politics is an **autonomous sphere, independent of economics and personal morality**.
- **Liberalism:** It has four major constituents-
 - **Individualism**, as it gives moral primacy to person against any claims of the society,
 - **Egalitarian**, as it confers on all humans the same moral status,
 - **Universalist**, in that it affirms the moral unity of human species and
 - **Meliorist** for its affirmation of the corrigibility and improvability of all institutions and political arrangements.
- **Cosmopolitanism:** It can be defined as the belief that all human beings have **equal moral standing** within and belong to a single world community. It asks international politics to focus on the interest, rights or welfare of persons wherever they may reside rather than on the interest of the states.

These theories serve as the guiding light behind foreign policies of the nations.

2. Ethics in Foreign Policy

An ethical foreign policy requires governments to take a more **enlightened view** of their own **self Interest**. It means that the foreign policy shows **commitment to alleviate human suffering** and **promotes mutual understanding, cooperation and peaceful coexistence** in the international system.

2.1. Elements of Ethical Foreign Policy

An ethical foreign policy is an ideology driven project which has following key elements:

- **Human rights at the heart of the foreign Policy:** Support to democratic rights of the people anywhere in the world is fundamental constituent of an Ethical Foreign policy or in short ethical foreign policies have cosmopolitan virtues.

- **Commitment to multilateralism, prosperity and environmentalism:** It strives to achieve global consensus around issues of universal importance such as Environment, Poverty and Inequality etc.
- **Global Justice and Responsibility to protect:** To act decisively against any act of injustice around the world under the doctrine of responsibility to protect is another constituent of ethical foreign policy.
- **Principle of sacrifice:** According to this principle, if it is in power of any nation to prevent something very bad from happening, for example death due to starvation or genocide, without thereby sacrificing anything of comparable moral significance, one ought to do it.
- An **ethical and decisive leadership** which strives to make this world a better place is often seen as an important tenet of ethical foreign policy.

One of the important objectives of the ethical foreign policy is to **build consensus around the ethical concerns** in International relations.

3. Ethical Concerns in International Relations

Normative and ethical concerns now govern the International relations. Nations are now acknowledging that there are concerns beyond the subject of national boundaries. Some of the important ethical concerns in International Relations are as following;

3.1. Climate Change and Ethics:

Climate change is one of the most challenging issues facing the world today. it is important to understand the ethical issues associated with it.



CLIMATE CHANGE AND ETHICS

CENTRAL ETHICAL ISSUES BROUGHT ABOUT BY GLOBAL CLIMATE CHANGE

- **Uncertainties in the scientific knowledge base:** which put constraints on our ability to predict when and where, and with what intensity, the various effects of climate change will emerge. The sources of these uncertainties include:
 - (a) **Incomplete factual data** on aspects of climate change
 - (b) **uncertainties caused by the nature**, assumptions and scope of current theoretical frameworks available to understand global climate change
- **Issues of justice:** The very nature of potential vulnerability due to climate change, touch on fundamental rights and the nature of justice. Four categories may be distinguished in this respect:
 - (a) **Issues of distributive justice:** The ethical difficulty lies in determining exactly what is unfair and unjust in the distribution of the negative consequences of climate change; but also, in the distribution of the benefits of actions that cause climate change.
 - (b) **Issues of compensatory justice:** another ethical uncertainty in this context has to do with the nature and extent of compensatory justice, who exactly the beneficiaries should be, and how exactly the benefits of compensatory justice should be distributed.
 - (c) **Issues of procedural justice:** Who should participate in processes of decision-making about measures to prevent, mitigate or adapt to climate change? Vulnerable groups need effective opportunities to participate in decision-making about climate change responses.
 - (d) **Issues of human rights:** We must examine the degree to which global climate change has any implications for the basic right to liberty, which includes a person's right to use his/her property to enhance his/her well being, as well as the right to freely choose one's own way of life.

ETHICAL CHALLENGES related to the main characteristics of global climate change:

- (a) **the global dispersion of the causes and effects of climate change**
- (b) **institutional inadequacy** that makes it difficult to respond to global climate change;
- (c) **the persistence, non-linearity and time-delayed nature** of climate change

Need for understanding the ethical dimensions of Climate change:

- **International Equity Concerns:** Countries having the lowest socio-economic capacity, least responsible for climate change are the most affected ones. For example, Marshall Islands.

Student Notes:

- **Resource scarcity may create Conflict:** Climate change has the potential to bring about conflict mobilized by the quest for scarce resources. (Syria is an example of the same)
- **Other ethical issues include:** How to define and **differentiate responsibilities** between present and future generations, developed and developing countries, etc.

Different actions are required by different agents in different contexts to respond appropriately, humanely and ethically to the challenges of climate change.

3.1.1. Resolution to ethical challenges of climate change:

The **resolution of ethical challenge** of climate change lies in creating an opportunity to establish a productive dialogue between States and other relevant agents from which a new consensus may emerge about the issues.

The link between foreknowledge and the duty to act on it:

- In ethics generally, the **worth of actions and policies** depends not only upon the values and principles they realize, but also upon their effects. An agent should thus foresee the possible effects of his/her actions.
- National governments and the international scientific community have a responsibility to **train future generations of climate scientists**
- **Scientific uncertainty** has vast **implications for policymaking** at both the regional and national level. In this context, **adoption of precautionary principle** in **decision-making** assumes importance.
- Governing bodies should put into place structures and procedures that are, resilient and sensitive to vulnerabilities of people and environment.
- Removing obstacles to sharing and differentiating responsibilities. The principal acknowledges that the actual ability to tackle climate change varies from country to country.

Those who have the ability to prevent or alleviate harm suffered by others, and are in a position to do so without sacrificing a greater value than what is rescued, have a clear duty to act.

3.2. Global Poverty and Inequality

3.2.1. Global Poverty and Ethics

Global Poverty is defined as the number of people who live on less than \$1.90 a day. A recent UN report cites that; 71 million people are expected to be pushed back into extreme poverty in 2020, the first rise in global poverty since 1998.

This forces us to look at the ethical concerns that poverty at international level creates, such as-

- **Affecting the vulnerable population disproportionately:** More than a billion slum dwellers worldwide are at risk from the effects of covid-19, suffering from lack of adequate housing, no running water at home, and limited access to formal health care facilities.
- **Rise in insensitivity:** Global poverty as Kaushik Basu argues largely remains out of sight for those who are not living it. This enhances insensitivity amongst the well off.
- **Right to dignified life:** Poverty and deprivation lead to low self-esteem and self-worth. It also affects the dignity of the individual.
- **Whom to prioritise?** The states being a stake holder in the global fight against poverty, face an inherent dilemma, that whether they should prioritise citizens or non-citizens for the allocation of the resources.
- **Accessibility and affordability issues:** Poverty is an obstacle in access to resources. It therefore has compound impact. It deprives a human being from developing capabilities for living happy and meaningful life.

Student Notes:

The nations should contribute resources to protect the vulnerable. Principle of sacrifice and principle of sympathy can be the guiding force behind international action against poverty. Rwanda is an example of the same.

Student Notes:

3.2.2. Inequality and Ethics

Inequality is a situation where certain people have access to things - places, goods, services - which others do not. Justifying inequality therefore entails arguing why some deserve more wealth and hence greater access to places, to goods and services, to social opportunities, than others.

3.2.2.1. Defenders of inequality typically rely on one of 3 ethical arguments

- **Desert Ethics:** According to the Desert ethics, it is only fair to treat a person, as the person DESERVES. So, if somebody has created something, say wealth, he is entitled to it, and he must have all the rights to exclude others from using it.
- **Voluntarist Ethics:** According to it, the exchanges which led to an unequal distribution were voluntary - people CONSENTED to the transactions, therefore they consented to the resultant outcome. So, inequality is just an outcome of what people have already consented.
- **The Ethics of 'Growing the Pie':** Granting superior legal status to few, will result in more wealth and opportunities for everyone. However, in reality rich becomes richer and poor becomes poorer. Higher inequality results in lower growth of incomes of poor.

3.2.2.2. Ethical issues due to high inequality

Inequality creates a **less virtuous society** because,

- The **virtue of trust** among members of society is lost e.g. acute deprivation may force a person to steal or lie.
- The **virtue of individual self-determination** is lost as inequality removes the level playing field to achieve success in life e.g. a rich child has better access to education and nutrition than a poor child.
- The **virtue of respect and tolerance** in the society is lost e.g. the wasteful expenditure of rich undermines their rationality and intellect in the eyes of poor.
- The **virtue of obedience** is also lost e.g. people start protesting, breaking rules, creating riots
- Inequality **violates distributive justice** e.g. wages are not distributed according to the labour or efforts one puts in the work.
- **Affects fundamental rights:** The right to have a dignified Life, the right to equality, the right to have an equal opportunity gets jeopardised in case of extreme Inequality leading to lack of food, education, healthcare, etc. Inequality creates compulsion and takes away the right to choose.
- **Inequality creates sufferings:** Which may lead to a society where rich force the poor into positions of servitude. Morality lies in reducing such sufferings.
- **Undermines democracy:** Inequality also undermines democracy as it creates unequal access to the political system and to the positions of power. (John Rawls)

Hence, development in solidarity is necessary for peace and harmony in this world. Ensuring justice is not merely to satisfy some legal requirements, or to avoid wars and conflicts. It comes out of the conviction that all people on earth basically form one single human community, that everyone is related to everyone else and everyone is responsible for the well-being of all. The concept of justice is fundamentally rooted in love and solidarity with all people on earth.

3.3. Terrorism

Student Notes:

Terrorism is commonly understood to refer to acts of **violence that target civilians** in the pursuit of **political or ideological aims**. **Violence and intimidation** constitute the core of terrorism. Some of the recent examples of Terrorist attacks are as following;

- **Kabul Gurudwara Attack:** 25 victims died and many wounded. ISIS-Khorasan took the responsibility of this deadly attack on the Gurudwara.
- **Hanau Shootings, Germany:** In total 9 people died. The attacker had far-right leaning and hate for Non-German people in a letter of confusion and a video.
- **Kulgam Massacre:** Labourers were killed by Kashmiri Militants.



3.3.1 Ethical Issues associated with terrorism

India along with other major countries has been suffering from Terrorism. **Global terrorism report** ranked India as the **seventh most affected** state from terrorism. Some ethical issues emanating due to terrorism are as following:

- **Preserving human life and rights:** The right to life of the innocent civilians itself is under threat due to terrorist actions.

- **Recruiting children and women for terrorist activities:** Small children and women are brainwashed and recruited for terror activities. The action which state ought to take against them is an ethical concern.
- **Good Terrorist vs Bad terrorist:** States oppose terrorists' group at one place and support at the other. This reveals selective and self-serving nature.
- **Use of violence to suppress terrorism:** Whether a non-violent and tolerant society should use violence to suppress the acts of terror against it.
- **Disbelief and distrust in the present global order and democratic values:** Terrorist often by blowing them up try to show that, they don't believe in the existing global social practices and oppose them.
- **Denial of civil liberties:** Civil societies around the world start to demand tougher laws leading to **mass surveillance and restriction** on civil liberties thereby emboldening dictatorial tendencies
- **Conduct during the war:** The treatment of illegal combatants, the use of torture in the interrogation of the prisoners and the killing of civilians in the conduct of military operations and the wholesale destruction of private civilian property, all strengthen the ethical case of terrorists and its allied groups to be conducting a just war.
- **Human rights Violation and Migration:** Terrorist action for example in Syria and Iraq lead to mass migration of the people to Europe. The ethical challenge that nations faced was to either let the migrants die (for example deaths of Rohingya and Syrian migrants due to drowning) or to compromise safety security and resources of their own citizens and that of migrants.

3.3.2 Measures which can be taken

World bank report on rethinking Governance, talks of providing safety and security to citizenry as the foundation of modern states. Being aware of this fact, many states are taking steps in the same direction, such as-

- **Countering the fundamentalist ideologies** and propaganda machineries with a more humanistic ideology. For example, Using **Sufism** to counter Islamist fundamentalism.
- **Providing aid and working on developing capability building:** Many organisations are working in Nigeria, Somalia, Syria and middle east to help impoverished and needy people develop skills to earn livelihood. E.g, Bill and Melinda Gates foundation and UN HCR in Africa and Somalia.
- Governments around the world **should not pass anti-immigrant laws** and in fact, as supported by data, allow intermingling of people so as to improve social cohesion. **Regular sensitisation in the schools, community centres etc** shall be done for the same.
- **De-radicalisation** of youth is important. Ethical decision-making skills if imbibed from the childhood will help curtail criminal tendencies.

3.4. Genocide

Genocide is the **most heinous crime against humanity**. The term was coined in 1943 by a Jewish-Polish lawyer **Raphael Lemkin**. His efforts culminated into **UN Convention on Genocide** in December 1948, which came into effect in January 1951

3.4.1. Ethical concerns associated with Genocide

- **Narrow definition:** The definition excludes targeted **political and social groups**. It also excludes indirect acts against environment that sustains people and their **cultural distinctiveness**.
- **Self Interest predominates foreign policy:** Many states are not friendly with minority groups. So, the **consensus making** on action against nations perpetrating genocide is hard to achieve.

- Do states which are not directly affected by the genocide and resultant migration crisis, ought to intervene? **Right to protect is vague and states** find themselves in a dilemma. This is what happened in **Rwanda Case and Rohingya case**.
- How many deaths will be sufficient to declare the incidence as genocide? There is no consensus on it.
- Whether the states should directly intervene or arm the groups so that they may protect themselves? **Use of violence for just ends** puts state into **means-end dilemma**.

Student Notes:

CONVENTION ON THE PREVENTION AND PUNISHMENT OF THE CRIME OF GENOCIDE

■ Unanimously adopted by the United Nations General Assembly in 1948, the Convention entered into force in 1951.

■ 152 states have ratified or acceded to the treaty, most recently Mauritius in 2019

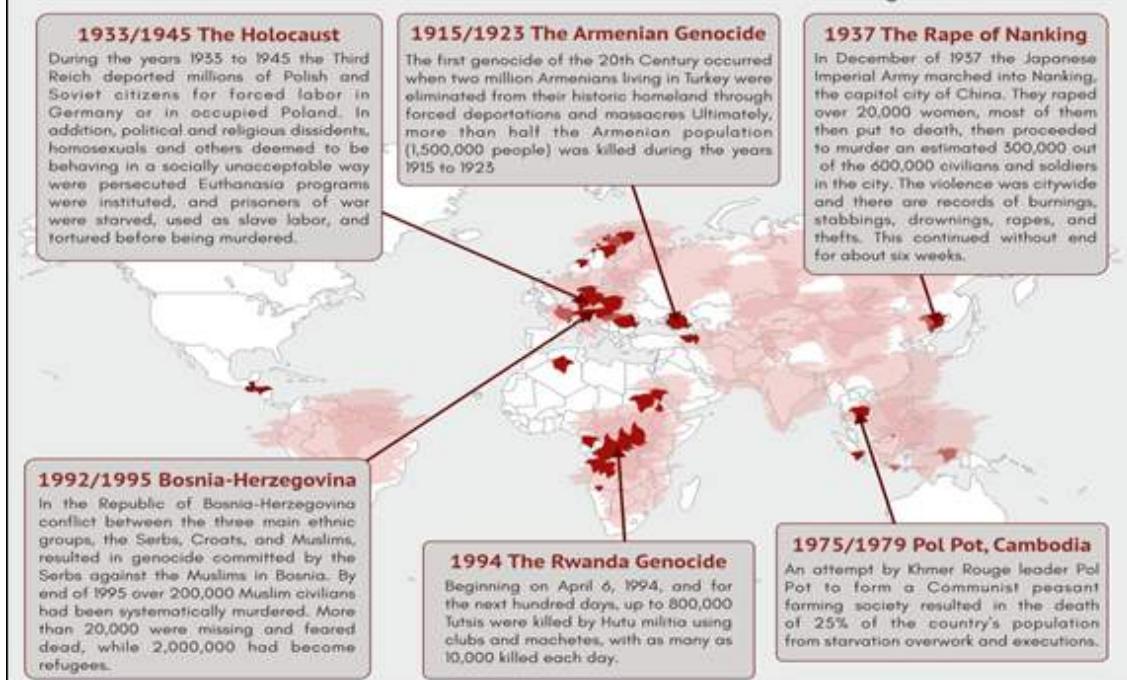
Definition of Genocide: : It defines **genocide** in legal terms as any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such:

- Killing members of the group;
- Causing serious bodily or mental harm to members of the group;
- Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;
- Imposing measures intended to prevent births within the group;
- Forcibly transferring children of the group to another group.

India ratified the treaty in 1959.

Genocides in the 20th Century:

Modern technology, including the use of mass media to motivate the killers, made the 20th century a century of genocides, from Armenia and the Nazi Holocaust to Rwanda -said Donald Miller from Center for Religion and Civic Culture at the University of Southern California. The mass killings in Cambodia, Darfur and Southern Sudan have added other atrocities to the tragic list.



Genocide is a crime against humanity and therefore global community has a responsibility to protect those who can't protect themselves. Following measures can be considered-

- **Broaden the definition of Genocide** thereby including the extermination of political groups and social groups as Genocide.
- **Environment and culture** are intrinsic to human survival. UN convention on genocide must include any systematic erosion of these as genocide.

- States need to intervene under **the Responsibility to protect**. Since **injustice anywhere is threat to justice everywhere**.
- Neighboring states shall unite and build pressure on the state perpetrating Genocide. Migrants should be protected and humanitarian aid should be provided to them by the global community.

Student Notes:

Above all nations should strive to preserve the values of global constitutionalism and global communitarianism and do not allow such heinous crime to go unnoticed and unpunished.

3.5. Organised Crime: Drug and Human trafficking

Organized crime is a **continuing criminal enterprise** that rationally works to **profit from illicit activities** that are often in great public demand. Its continuing existence is maintained through corruption of public officials and the **use of intimidation, threats** or force to protect its operations.

Drug trafficking- Overall, drug consumption has increased by 30% between 2009 and 2017 - from 210 million to 271 million, in part as a result of global population growth.

Trafficking in person and smuggling of migrants- These two offences are often confused, as they can occur along the same routes and affect the same people. For instance, what may begin as a case of **migrant smuggling** may then transform into one of trafficking in persons, since smuggled migrants are particularly vulnerable to becoming victims of trafficking.

3.5.1. Factors behind organized crime

The ethical view sees crime as placing one's **own self-interest** above the interests of others.

- **Moral failure in decision making:** Crime is a result of a moral failure in making decisions. Crime takes place when a person fails to appreciate the **wrongfulness of an act** or its impact on the victim.
- **Role of external factors:** The ethical explanation of crime appreciates that external factors have a role to play in **influencing** some people toward criminal conduct, but these factors do not cause the conduct by themselves.
- The **ethical perspective** also agrees that a **free-will decision** underlies **criminal behaviour**.
- Lack of **moral and ethical education** and **conditioning** is the reason why people often do not make decisions in ethical terms but follow self-interest. This is the reason they fail to understand the **legitimate interest** of other communities

3.5.2. Ethical concerns associated with organised crime

Ethical Concerns associated with organised crime at the International arena:

- **Cultivation of greed:** A crime-oriented society perpetuates selfish and greedy behaviour. Organised crime feeds upon this greed or lust for money.
- **Respect for autonomy:** Organised crime disrobes a victim of her/his autonomy to take decisions. For example, forced prostitution, or drug trafficking etc. do the same with the victim. **Bodily Integrity** of the victim is compromised.
- **Commodification of human organs:** Organised trade in human parts feed upon vulnerable population. It exploits the needs and situation of the victim.
- **Exacerbates injustice:** Organised crime **exacerbates injustice** in the society and is threat to **social cohesion** and **ethical functioning** of the society. It breaks the **moral fabric** of the society.
- **For state:** The dilemma is that to what extent it should strengthen the **rule of law** without compromising the **civil liberties** of its citizens.

Organised crime is a challenge to all the nations and merely strengthening the rule of law or systemic machineries will not bring the necessary change.

3.5.3. Way Forward

Situational crime prevention requires that crime prevention techniques be directed at five areas:

- **Increasing the effort for offenders** (e.g., target hardening, controlling crime facilitators).
- **Increasing the risks** (e.g., surveillance of offenders and victims, screening entrances and exits).
- **Reducing the rewards** (e.g., removing targets, controlling markets).
- **Reducing provocations** (e.g., reducing temptations, avoiding disputes); *and*
- **Removing excuses** (e.g., setting clear rules, alerting conscience).

Ethical decision-making and reinforcement from an early age would help inculcate the notion of **personal and social responsibility** for one's own behaviour, and a **greater appreciation** of the harm caused.

3.6. International Aid

Foreign aid means transfer of money, goods or technical knowledge, from the developed to the under-developed countries

3.6.1. Types and Objective of Foreign Aid

Foreign aid gained importance after the Second World War. It was required for the **nation building** by cultivating **political stability** and **development**. States also misused it to garner allies which lead to neo-colonialism. Some important forms of foreign aid are-

- **Military aid:** It helps in gaining allies. The only objective of this kind of aid is to strengthen the military capability of their respective allies.
- **Technical assistance:** It is the **least expensive among the aid programmes with big benefits**. It aims at providing technical know-how instead of equipment and funds.
- **Economic aid:** Loans are given to be repaid over a long period of time for the development schemes to be run in the developing countries. But these loans also involve exploitation
- **Humanitarian assistance:** Humanitarian aids are the actions designed to **save lives, alleviate suffering** and maintain and **protect human dignity** during and in the aftermath of emergency situations. Humanitarian principles are rooted in international **humanitarian law of humanity, neutrality, impartiality and independence**.

3.6.2. Ethical Arguments for Foreign Aid

Indeed, the idea behind foreign aid is always national interest of the donor. It has still been justified on the following grounds-

- **Global Justice:** Foreign aid is justified on the basis of upholding values such as global justice. It helps address poverty, destitution and reduces consequent conflicts.
- **Principle of Sacrifice:** It is the duty of well off to sacrifice some of their wealth to protect those who can't protect themselves. Providing assistance therefore becomes a responsibility.
- To **compensate** nations affected by the repercussions of conflict in the neighboring nation, for example middle eastern nations from **Syrian war** or **South Asian nations from genocide of Rohingya muslims**. It reduces the pressure on the limited resources that a nation can have.

Foreign aid has played a vital role in improving conditions of poor across the world.

3.6.3. Issues and Criticism

While on the one hand foreign aid is in demand by the developing nations, on the other, they are also suffering from several ethical issues generated by it, some of which are as following-

Student Notes:

- Proliferation of monoculturalism-** These programmes are often aimed at inculcating certain form of culture and have low regards to indigenous culture in the targeted nations.
- Self-interest driven nature of foreign aid:** Programmes were run throughout the world to serve self-interests, for example, the **eradication of malaria programmes**, was run to spend the huge stocks of DDT which were lying useless in the stores of developed nations
- Modern technologies are preserved for profit motives:** Profit motive guides developed nation behaviour. Obsolete technologies are transferred instead of advance, to the developing nations.
- Blackmailing countries into alliance:** The supplier country can direct the course of a local conflict by simply replenishing or withholding supply and spare parts, or worse still by threatening to switch her affections to the other side.

Student Notes:

In this way, the recipient countries have to dance to the tune of the advanced supplier countries. This means a serious encroachment upon their autonomy.



ETHICAL ISSUES RELATED WITH HUMANITARIAN ASSISTANCE

- **Assistance with certain conditionality-** Peace conditionality as enforced by WB, IMF can indeed force adherence to the peace process or impose reconciliation. But, we have witnessed that the cooperation from local authorities was often pure lip service in order to get rewards from reconstruction funds.
- **Ill targeted and Misuse-** Misuse of assistance is a norm and therefore an ethical dilemma persists for whether one should assist the conflict region even after knowing that the finances may not be used in the pre-decided work.
- **Funding to terrorism-** Humanitarian organisations have to collaborate with the rebel groups to intervene for assistance which can be used for their terror activities in the region.
- **Fuel to war-** Humanitarian aid has been accused of fuelling war economies and prolonging conflict by providing assistance, directly or indirectly, to combatants and their military operations. The conflicts in Somalia, Liberia and Angola are usually mentioned as prime examples.
- **Implicit recognition to rebel groups-** The negotiation with the groups in charge of a certain area means giving recognition to their authority and legitimacy.
- **Benefits from assistance-** The groups might derive considerable financial benefits from humanitarian operations by imposing charges on transports, levying taxes on imports and employees' salaries, and collecting rent for warehouses, offices and residences.
- **Dilemma between neutrality and political activism**



HOW FOOD AID HURTS AFRICA

A shortage of food becomes present in some African nation.

African Farmers can no longer provide for the food needs of their nation.

International Community Sends Food Aid to said African Country

African Farmers go out of Business as they are unable to sell their crop due to competition from Food Aid.

3.6.4. Foreign Aid and Neo-Colonialism

Neocolonialism is the practice of using economics, globalisation, cultural imperialism and **conditional aid** to influence a country. It results in a **relationship of dependence** and **subservience**. Foreign aid is essentially a part of neo-Colonialism exercised by the developed nations.

It basically aims at creation of **political stability** in the recipient State. Also, it seeks to **change domestic and foreign policy** of recipient country. It is also distributed as a **reward** for becoming an alliance partner and the recipient **to achieve its objectives**. For example, **suppression of rebellion in a nation**.

3.6.5. Way forward

The greatest challenges for humanitarian aid and development in the form of financial assistance are efficiency, effectiveness and the extremely complex political, economic, and social side effects associated with them. The funds can be channelized in the following ways:

- By determining **accurate assessment of need**.
- By **doing away with disparities** in assistance within particular contexts, owing to political or security constraints imposed on humanitarian organizations. Such disparities in the level of assistance can be the reason for large population movements.
- There should be **coherence** between humanitarian law of humanity, neutrality, impartiality and independence.
- **Involvement of local administration** and civil society in the humanitarian work.

Sustainable long-term development obviously depends essentially on the political and economic framework and on the institutional and physical infrastructure a State is able to provide.

3.7. NGO Colonialism and Foreign Aid

Proliferation of NGO's has generated several ethical concerns. NGO's are often seen as actors of particular nation and its ideology. Some of the ethical concerns are discussed below:

3.7.1. Ethical Issues

- **NGO colonialism acts as safety valve:** When bombs were poured in Vietnam, simultaneously USA sent its NGO's such as CARE, American Red Cross etc. People were uprooted from their life by bombings in Iraq and Afghanistan and NGO's were providing healing touch.
- **Corruption:** Only one percent of humanitarian fund reach the affected population.eg West Africa during Ebola Crisis.
- **Support for regime changes, lack of accountability** and **ongoing racism** in the humanitarian system has helped destabilize countries in the grip of natural disasters such as Haiti and Nepal.
- **Removes the onus of ethical governance from the state:** The state feels less accountable and if the regulatory mechanism is not strong, a weak state may cause siphoning off of the funds.
- **Extension of foreign policy:** USA uses NGO's as an extension of its foreign policy and EU as a substitute. Humanitarian intervention is thus an intervention to **change social cultural, economic, political and environmental architecture of countries without their consent**.
- **Dependency on the foreign aid:** The state starts to lose its independence and relies on foreign aid for socio-economic policies. State also withdraws from social security field leaving the citizens vulnerable for unethical practices. As happened in the post neo-liberal reforms.
- **NGO's in order to harness the Foreign Aid at times try and inflate the data:** For example, many NGO's inflate the data of malnutrition, infant deaths (under five), number of dependent in shelter homes etc. It affects the development policy of affected nation.

However, NGO's also have played vital role in enforcing accountability for the acts done by the states and have provided necessary help in the war torn and conflict-stricken nations.

3.7.2. Way Forward

Student Notes:

- Humanitarian donors, policymakers and practitioners should change their current attitudes and values, examine the ways to change the system itself and genuinely collaborate with the affected people as equal partners.
- Regulatory authorities in the developing world need to enforce the accountability mechanisms on the NGO's in letter and spirit.
- Third party independent audits should be done so as to build trust in NGOs affairs.
- Sensitisation drives of the NGO workers shall be done at regular intervals so as address insensitivity and cognitive dissonances.

NGO's are required to supplement the work of developing nations. They help channelize the necessary resources in time to the affected people and thereby contribute to strengthening the administrative capacity. A balance is what that needs to be created for the betterment of the civilians.

3.8. Pandemic and Ethics

COVID-19 brought to stand still lives around the world. All the material advancement that humanity achieved since industrial revolution felt helpless in front of this unforeseen pandemic. Apart from raising challenges for civilians and governments around the world, It also raised some fundamental moral and philosophical issues, some of which are as following;

- **Disproportionate burden on poor:** How to respect commitments to **social justice** in the face of the overwhelming and entrenched inequalities.
- **Equitable access to healthcare:** A major issue is how the vaccines, hospital beds etc. should be awarded to patients.
- **Ethics of public health action taken in response of breakout of pandemic.** E.g. separation measures such as quarantine, isolation, and social distancing; and control of international travel and borders,
- **Obligation among countries and the obligation of intergovernmental organisations:** How should governments balance their duties to their own populations versus duties to other countries and population, and what role should international organisations such as WHO play in addressing the cross-border risks and obligations.
- **Pandemic also raised ethical issues of both procedural and well as distributive justice.** E.g. **Should all lives be valued equally, or should there be a preference** for saving those most productive for society, which would generally imply young to middle-aged workers? Or should there be a preference for the youngest based on an argument sometimes referred to as "**fair innings**," namely that older persons—say 65 years and older—have already had their fair share of opportunities and that persons of 15 or 25 deserve a chance to have theirs.
- **The fine balance between** reducing disease spread through isolation and travel measures while protecting the **right of individual to freedom of movement.**
- **Infodemic** is another name given to the pandemic due to mass spread of false rumours and news during the period. **Truthfulness and objectivity** was missing from social media.

COVID and Social Stigma

Social stigma in the context of health is the negative association between a person or group of people who share certain characteristics and a specific disease. From the early days of the HIV epidemic to the current coronavirus crisis, a major challenge around infectious diseases has been dealing with the deep-seated stigma around affected populations. For example, LGBT population was stigmatized in the past in connection with HIV outbreak.

In the context of COVID-19, broadly three sets of people are being stigmatized:

- **People in quarantine** (whether tested positive or not) are being socially discriminated.
- **Health and sanitary workers:** From doctors down to the frontline workers are facing stigma and discrimination including violence at work.

- **Already vulnerable sections:** Those who traditionally face discrimination like migrant workers, people from the northeast, victims of religious or other persecution are being associated with the disease and are facing undue stigmatization.

Student Notes:

Why such stigmatization happens?

- **Fear and anxiety:** It is a disease that's new and for which there are still many unknowns. Lack of knowledge about the disease tends to create fear and anxiety around it. It is easy for the mind to associate that fear with 'others', resulting in stigmatization of 'others'.
- **Fake news and false information:** Stigma can also be the result of people's poor knowledge about COVID-19 and how it spreads. This is compounded by the large amount of fake news and false information being generated.
 - For example, certain communities and areas are being labelled as infected purely based on false reports floating in social media and elsewhere.
 - The proliferation of fake news can indirectly reinforce the stereotypes and prejudices prevalent in our mind. For example, only people from certain community are contracting the disease.
- **Labelling and association:** Stigma arises when the virus and the person with the virus are conflated; when we change the question from what's to blame to who's to blame.
 - Calling COVID-19 "the Chinese virus" associates COVID-19 to Chinese people even though not everyone of that descent or from that region is specifically at risk for the disease.
 - Stigma can also occur after a person has been released from COVID-19 quarantine even though they are not considered a risk for spreading the virus to others. This happens because s/he has been labelled as infected.

3.8.1. Vaccine development and distribution

There is tremendous interest in the development of a COVID-19 vaccine, with more than a hundred initiatives under way around the world. Even if one or more vaccines emerge, the public-health problem will not be eliminated. But policymakers can avert some foreseeable problems by starting to address key questions about financing and distribution now.

But why vaccine distribution requires ethical decision-making?

Governments, international agencies and health systems have an obligation to ensure, to the best of their ability, adequate provision of health care for all. However, this may not be possible during a pandemic, when health resources are likely to be limited.

- Setting priorities and rationing resources in this context means making tragic choices, but it is essential that these tragic choices be ethically justified.
- Ethical justifications can be provided in various ways, it is important to understand which systems suits the context best. For example, the allocation of different resources may find ethical justifications in different principles or values.
- Most importantly, a standardized ethical framework that can be used as a guide for decision-making process from hospitals to administrators.

What values could be the basis for deciding who should get priority?

- **Equality:** Each person's interest should count equally unless there are good reasons that justify the differential prioritization of resources.
 - Characteristics of individuals, such as race, ethnicity, creed, ability or gender, should not serve arbitrarily as the basis for the differential allocation of resources.
 - This value could be the most appropriate guide the allocation of scarce resources among individuals or populations who can be expected to derive the same benefit from the resource, for example, vaccines among high-risk populations.
- **Best outcomes (utility):** This principle can be used to justify the allocation of resources according to receiver's capacity to do the most good or minimize the most harm, for example, using available resources to save the most lives possible.
 - This value could be the most appropriate guide for allocation of scarce resources that confer substantially different benefits to different individuals, for example, ventilators to those expected to derive the most benefit.

- **Prioritize the worst off:** This principle can be used to justify the allocation of resources to those in greatest medical need or those most at risk.
 - This value could be the most appropriate to guide the allocation of resources that are designed or intended to protect those at risk, for example, PPE for health care workers, vaccines for those most at risk of infection and severe illness, or those most in need.
- **Prioritize those tasked with helping others:** This principle can be used to justify the allocation of resources to those who have certain skills or talents that can save many other people, or because something is owed to them on account of their participation in helping others.
 - This value could be most appropriate to guide the allocation of resources to health care workers, first responders, etc.

Student Notes:

What can be done to ensure that these principles are applied fairly?

- **Ensuring Transparency:** The decisions and their justifications should be made public. This implies that the population should be informed about the criteria guiding the decisions.
- **Encouraging Inclusiveness:** Those affected by allocation decisions – including individuals, communities or countries – should be able to exert at least some influence over the decision-making process as well as the decision itself.
 - This also implies that decisions should be open to challenge and potentially revisable, perhaps through an appeal process.
- **Ensuring Consistency:** Decisions should be consistent so that all persons in the same categories are treated in the same way. This implies that favoritism towards one's own family, religious or political compatriots, or otherwise, should not be exercised.
- **Maintaining Accountability:** Those making decisions about allocation must be accountable for those decisions – that is, they should justify their decisions and be held responsible for them. Taking into account these values, what could be the best possible course of action?

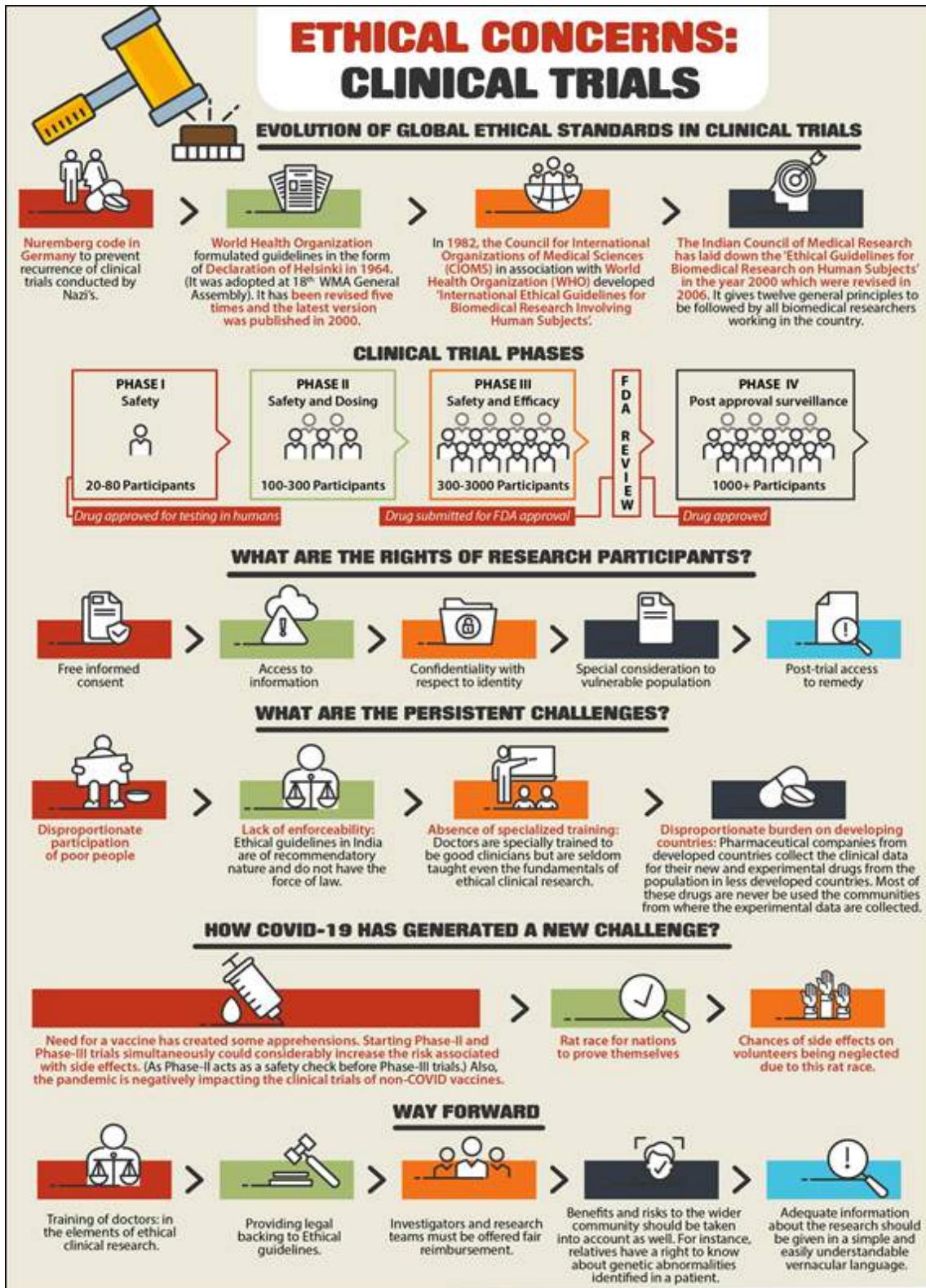
Taking into account these values, what could be the best possible course of action?

Action	Reason
• Prioritizing those who, if vaccinated, would prevent the greatest spread of the virus. E.g.- Health care workers (caring for patients) and first responders.	<ul style="list-style-type: none"> • This will also ensure maximization of benefit making largest possible impact with each vaccination dose. • Their contribution to the health and well-being of the community.
• Prioritizing those at greatest risk of becoming infected and seriously ill.	<ul style="list-style-type: none"> • This will ensure maximization of benefit of vaccine by saving lives in immediate effect.
• Prioritizing participants of research aimed at developing vaccines, therapies or other critical resources.	<ul style="list-style-type: none"> • They have also helped save others by their participation. (But they should not take precedence those most at risk in the case of resources such as vaccines.)
• Giving low priority to younger populations unless sick or need critical care.	<ul style="list-style-type: none"> • Research suggests that younger populations appear to be at lower risk in the COVID-19.
• Maximizing utility should be balanced with the principle of priority to the worst-off.	<ul style="list-style-type: none"> • There are chances that in order to extend benefit to as many people as possible isolated populations which are at high risk may get excluded.

Conclusion

Ethical considerations are vital to decision-making about the deployment of vaccines in acute humanitarian emergencies. A fair system engenders solidarity and trust, which are vital to the successful and sustained collective response necessary for dealing effectively with any outbreak. This allocation of a limited supply of vaccine calls for a fine balance between utility and equality and fairness. Following could be done to ensure this:

- **Vaccine Delivery Platform:** which enables coordination between health management authorities, local government and state government. Further, the platform could be integrated with the information repository created for the vaccination distribution.
- **Maintaining Information Repository** for identification and accordingly optimization of the vaccine delivery process. Also, it could create a list of people who need vaccination on immediate basis in a given area.



3.8.2. Way forward

- Governments of wealthier nations should support poor, early affected countries out of both ethical responsibility and self-interest. Governments bear a **moral responsibility** to identify where **social injustices** are likely to occur as the result of a pandemic and to take reasonable steps to prevent or reduce the worst among them.
- **Beneficence, non-maleficence, respect for persons, and justice** are the four core principles that should guide international actions.

- **Principle of transparency and Principle of Participation:** Information about the processes and bases of decisions should be made available to the affected population. The stakeholders should be involved, through appropriate institutions and means, in the processes of formulating the objectives and adopting the policies.

Student Notes:

International community should be working with utility orientation with efficiency to preserve the life and liberty of the community. Principles of review, revisability and effectiveness should be incorporated at the global level.

3.9. Ethics of Humanitarian Intervention

International humanitarian intervention to stop gross violation of human rights is supported as the **just cause** criteria of the **just war theory**. Responsibility to protect is a fundamental tenet of it.

3.9.1. Responsibility to Protect

The idea came in the background of Holocaust perpetrated by Nazis. The idea is to **identify and define crimes that have**, to borrow a phrase from **Michael Walzer (1977)**, 'shocked the conscience of mankind' and protect populations from them.

What is Responsibility to Protect?

- **Protection from Four Crimes:** Each individual state has the responsibility to protect its populations from **genocide, war crimes, ethnic cleansing and crimes against humanity**.
- **Democratic and Responsible Use of Power:** To use collective actions against the crime against humanity through Security Council in accordance with the UN charter.
- It attempts to **reconcile principles of human rights and international order** by working through states, and existing international mechanisms, to implement legal obligations.

Ethical Concerns

The concept is criticized for its **narrowness**- it relates only to the four crimes identified in the 2005 World Summit Outcome Document. The concept does not relate to threats to human life stemming from **natural disasters, diseases, armed conflict in general, or repressive measures adopted by non-democratic forms** of government. Other major concerns are as following;

- **An interference into sovereign matters:** Weaker and smaller states fear that in the garb of Responsibility to protect developed nations will undermine their sovereignty.
- **Blurring of domestic and international responsibilities:** It blurs the line between domestic and international responsibility. International affairs are thought to affect domestic concern which is not true always. .
- The **prevention of conflict** and the **protection of victims** of human rights abuses became an end in itself rather than part of a broader political or ideological project. It results in concomitant loss of life and human suffering. For example, Drone Raids in Afghanistan and middle east lead to collateral damage. (civilian lives)
- Invasion of other nations in the garb of humanitarian intervention is used to reap the rewards at home; **For example, Global War on terror and the Invasion of IRAQ.**

There is a general consensus that western government policy-makers have, in the last decade, explicitly taken on board normative and ethical concerns, shifting away from a 'realist' approach in which a more narrowly conceived national interest was the basis of policymaking. This policy shift has meant that the declarations of 'ethical foreign policy' emanating from the governments of leading world powers are often uncritically taken at face value and assumed to be '**simply the right thing to do**'.

3.10. Just War Concept

Student Notes:

The aim of Just War Theory is to provide a guide to the right way for states to act in potential conflict. It provides a useful framework for individuals and political groups to use for their discussions of possible wars. The theory is not intended to justify wars but to prevent them, by showing that going to war except in certain limited circumstances is wrong, and thus motivate states to find other ways of resolving conflicts.

WHAT IS JUST WAR?
A CHRISTIAN PHILOSOPHY

- taking human life is seriously wrong;
- states have a duty to defend their citizens,
- defend justice protecting innocent human life and defending important moral values sometimes requires willingness to use force and violence

Father, what's the difference between "a just war" and "just a war?"

"A just war" is one which is being planned and "just a war" is one which has already happened

Just War Criteria

<i>Jus ad bellum</i> (when it is right to go to war)	<i>Jus in bello</i> (how a war should be fought)
<ul style="list-style-type: none">Last Resort- all other methods must tried firstRight intention-the intention of war is to right a wrongJust Cause-there must a good reason for going to warRight authority-only public authorities are legitimate, terrorist organisations are not enoughComparative justice-the suffering caused must be less than the suffering that existsProbability of success-there is no point in fighting and wasting lives if you're not going to win	<ul style="list-style-type: none">Discrimination-act of war should be directed at the combatants not civiliansMinimum force-death and destruction should be limitedProportionality-the force used must be proportional to the wrong endured and to the possible good that may come

Elements: There are three parts to Just War theory, both with Latin names:

- Jus ad bellum:** the conditions under which the use of military force is justified.
- Jus in bello:** how to conduct a war in an ethical manner.
- Jus post bellum:** concerns justice after a war, including peace treaties, reconstruction, war crimes trials, and war reparations.



The four Geneva Conventions and Prisoner of War

Definition: "PoWs (as) usually members of the armed forces of one of the parties to a conflict who fall into the hands of the adverse party." (ICRC)

- Convention I:** This convention protects wounded and infirm soldiers from torture, assaults upon personal dignity, and execution without judgment. It also grants the right to proper medical treatment and care.
- Convention II:** This extends the protections described above to shipwrecked soldiers and other naval forces, including special protections to hospital ships.
- Convention III:**
 - ✓ It defined 'Prisoner of War,' and accorded them proper and humane treatment as specified by the first convention.
 - ✓ It states that PoW have to be protected against insults and public curiosity as well as acts of violence or intimidation.

In this context, Pakistan may have violated the treaties when their military spokesperson tweeted an image of the captured IAF pilot.

3.11. Global Commons

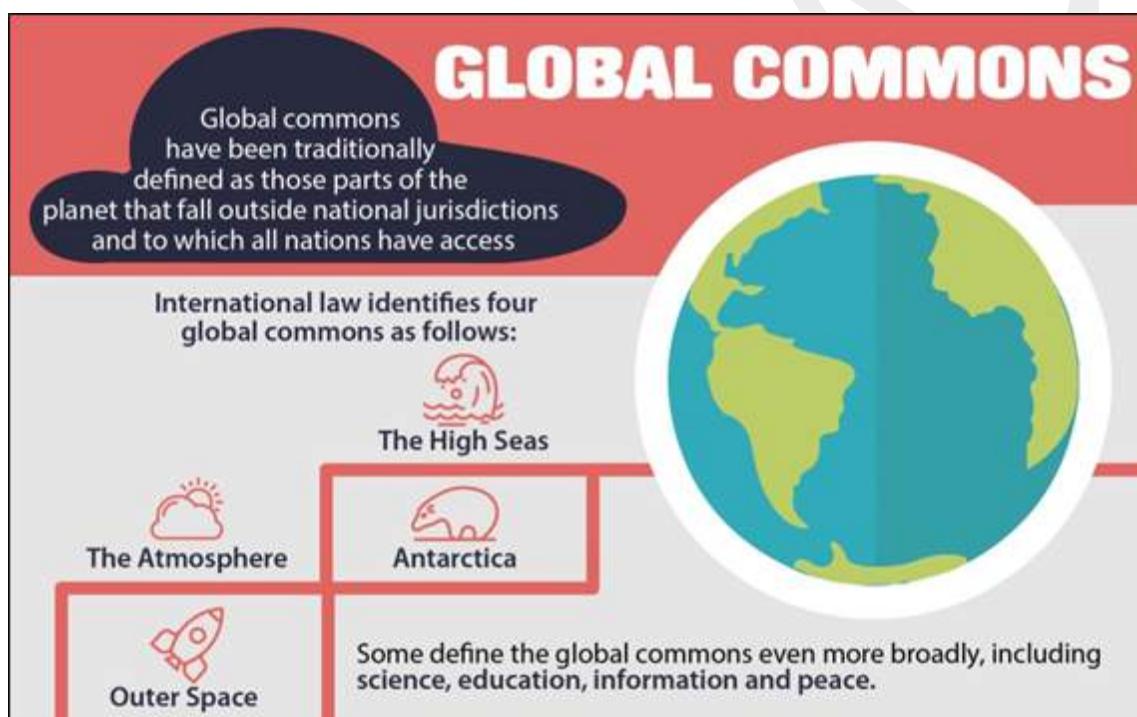
Global commons have been traditionally defined as **those parts of the planet that fall outside national jurisdictions and to which all nations have access**. International law identifies four global commons, namely the **High Seas, the Atmosphere, the Antarctica and the Outer Space**.

- Guiding principle for these resource domains is **Principle of common heritage**.
- Some of the problems within the scope of global commons are for example; **spread of zoonotic diseases like Covid-19, greenhouse gas emission, biodiversity reduction, overfishing and the accumulation of plastic waste.**

Student Notes:

Challenges in managing Global Commons

- The key challenge of the global commons is the **design of governance** structures and management systems capable of addressing the complexity of multiple public and private interests, subject to often unpredictable changes, ranging from the local to the global level.
- There are **differences in the shared culture and expectations** of resource users; more localized commons users tend to be more homogeneous and global users more heterogeneous. This contributes to differences in the possibility and time it takes for new learning about resource usage to occur at the different levels.
- Moreover, **global resource pools** are less likely to be relatively stable and the dynamics are less easily understood. Many of the global commons are **non-renewable on human time scales**. Thus, **resource degradation** is more likely to be the result of **unintended consequences that are unforeseen**, not immediately observable, or not easily understood.



Measures to overcome challenges

To manage our global commons, we may take following steps;

- **Facilitate and accommodate the self-governance of local commons.** Provide safeguards to them to **avoid exploitation** and manage risks.
- At local level, initiatives and solutions can be developed that **fit the local context**.
- When expertise are not available, **higher level organisations** can **facilitate learnings** from peers.
- Higher level authorities need provide **insurance** that the outcomes from the successes of **local level experimentations** will not be grabbed by the outsiders.

To achieve coherence in global governance, all three dimensions of sustainable development – **sustainable economic growth, social inclusion and protection of the environment** and the **global commons** – need to be integrated at the global level.

4. Doctrine of International Community

Student Notes:

Former British Prime Minister Tony Blair propounded doctrine of international community Its important principles are as following;

Six principles for a doctrine of international community and its institutions:

- reform of the system of international financial regulation;
- a new push on free trade in the WTO;
- a reconsideration of the workings of the UN;
- a critical examination of NATO;
- greater cooperation on meeting the targets of Kyoto;
- scrutiny into the issue of third world debt.

Examples:

- NATO's attack on Serbia over Kosovo in 1999 established the rule of a humanitarian intervention. It followed the worldwide guilt felt at the failure by the UN, or anyone else, to intervene in Rwanda.
- Killing of Saddam Hussain.

4.1. Five rules of Intervention of International Community

Five rules for intervention of international community outlined by the former British PM were:

- be sure of your case,
- exhaust all other options first,
- ask if military operations can be "sensibly" undertaken,
- prepare for the long-term
- identify if your interests are involved.

The Global war on terror leading to invasion of Afghanistan, Iraq were justified by this doctrine. It later on was heavily criticized when No chemical weapons were found in Ira

4.2. Global Communitarianism

Global communitarianism envisages a supranational community having a common definition of good. Normally communities have their own definition of good. For example, caste system is good from the point of view of traditional Indian society. However, its not tenable to authorise communities to decide good. Therefore, a global community is envisaged under Global communitarianism having transnational norms (such as protecting environment), global second language etc.

4.3. Collective action in the times of COVID

The pandemic of COVID has started a global debate on the need for collective action to face such global emergencies. The former UK prime minister Gordon Brown has called for a new 'global government' to deal with the crisis.

Importance of collective action in such emergencies

- **To develop consensus** - as the countries should work tandem in their response to this pandemic.
 - In such situations, countries should listen to international experts and take scientific inputs, rather than work in silos based on their homegrown demands.
- **Common but differentiated responsibility**- as all the countries may not have the kind of resources required to deal with his menace, such as-
 - **Capital resources**- In low income countries, assistance is required from international community to provide for safety nets, cash transfers and food & logistic costs. E.g. the

- Central African Republic had just three ventilators to treat patients in this crisis.
- **International supply chains** need to be put on a wartime footing to produce the supplies needed, from masks to ventilators, to treat rapidly growing numbers of patients who need intensive care.
 - Collective action is also needed to clear barriers to the development, manufacture and equitable distribution of a vaccine.
- **Sharing of information**- in the form of scientific research, findings and data in different parts of the world.
 - **Crowdsourcing**-e.g. In the recent crisis, more than 45,000 research papers have been collected in an open source database, which could prove useful for the entire humanity.
 - **Learning from past experiences** e.g. Liberia's experience during 2014 Ebola outbreak, shows that national leadership, community driven programs and local solutions helped slow the spread of disease.
 - **Success stories**-Any kind of innovation, technology, idea which can be replicated in other countries should be shared among the global community.
- **Stop reactionary forces from misusing this situation**- for which the countries need to come together, such as-
 - **Private Sector**-The big pharmaceutical companies should not be allowed to make hefty profits from drugs and medical devices needed during the pandemic, rather work for the public good.
 - **Terrorism**-There are reports that the current crisis could be exploited by some terrorist groups to further their agendas.
- **Prevent erosion of public trust**- If such emergencies are not tackled effectively by the governments.
 - **India**- There was a mass exodus of migrants from urban centres with many travelling foot with limited help from government.
 - **Philippines**- There was a largescale protest and riots against the government for lack of food and relief supplies during the COVID-19 lockdown.
 - **Spain and Italy**- Given their situation, the analysts believe the government's response might create anarchy and put a question on the entire notion of social contract.

Globalism vs. Nationalism debate in the context of vaccine distribution

- Several countries like Britain, France, Germany and the US have entered into pre-purchase agreements with Covid-19 vaccine manufacturers, a development that has come to be known as "vaccine nationalism".
- There are fears that such advance agreements will make the initial few vaccines unaffordable and inaccessible to everyone apart from the rich countries, in particular to countries with fewer resources and bargaining power.
- In this context, WHO has warned that hoarding possible COVID-19 vaccines while excluding others would further deepen the pandemic.
- The possible counter to vaccine nationalism is global collaboration, which is being done through the WHO-backed COVAX Facility mechanism.
- The facility aims to procure at least two billion doses of COVID-19 vaccines by the end of next year for deployment and distribution mainly in the low- and middle-income countries

This crisis presented an opportunity to correct the injustices present in global order. The international community should focus on creating systems, structures and policies that can always protect the marginalised in need and assure everyone to live with dignity.

5. Moving forward towards Global Constitutionalism

Global constitutionalism believes in the existence of **principles of constitutionalism** which are followed around the world and by the global governance through its institutions and norms. Some of important principles are as following;

- Rule of law
- Separation of power/checks and balances
- Protection of human rights,
- Democracy and
- Solidarity.

Student Notes:

Ethical Significance of Global Constitutionalism:

- Provides **objective ethical standards** through which domestic as well as international endeavors of the nations can be judged. e.g. Any curtailment of individual freedom and press freedom is inimical to human growth and therefore against basic human rights.
- Helps civilians understand where they stand globally in terms of having and exercising basic freedoms and rights.
- Provides **moral principles** that can be a guide for international institutions, like international courts of justice.

Nation states do find global aspirations like such inimical to their growth and power. So therefore, there is conflict in desires. It's a gradual process and hopeful in the future we may have strong global institutions founded on the principles of Global constitutionalism.

6. Previous Year UPSC Mains Questions

1. At the international level, bilateral relations between most nations are governed on the policy of promoting one's own national interest without any regard for the interest of other nations. This led to conflicts and tension between the nations. How can ethical consideration help resolve such tensions? Discuss with specific examples. (2015)
2. Strength, peace and security are considered to be the pillars of international relations. Elucidate. (2017)

7. Previous Year Vision IAS Mains Test Series Questions

1. *Income inequality, resource mismanagement and health hazards are some of the negative consequences of globalization. In this context, what are some of the ethical dilemmas that civil servants face today? How has the approach to handling these undergone a change?*

Approach:

- Explain the key ethical dilemmas that civil servants face due to the changes brought by globalization.
- Then, talk about the difference in approach to handle the challenges and resolve the ethical dilemmas.

Answer:

The process of Globalization is associated with both benefits with increasing pace of poverty reduction and high growth rates as well as drawbacks such as increasing inequality and resource mismanagement. Globalization has impacted not just economies but also politics, societies and cultures across the world. This has brought new challenges for the civil services in the form of following ethical dilemmas.

Ethical dilemmas in era of Globalization

- In the era of globalisation, the role of the State has changed. Economic liberalisation has led to – on one hand, the diminishing role of state and on the other, increasing role of private sector. The basic objective of private enterprises—maximizing profits—does not always coincide with broader social concerns. Therein lies the ethical dilemma of civil servants of balancing these two priorities, profits –

- for sustaining economic activities and addressing social concerns - as part of the welfare state.
- Globalization has resulted in the marginalisation of a section of society who have not been able to take advantage of the economic opportunities provided by globalization. The ethical dilemma here is the need for showing empathy and compassion in helping them while at the same time following the rule of law.
 - Fast pace of globalisation is mainly driven by the rapid advancement of communication technology. Civil servants too have had to adopt technology in public administration even if they personally do not like it. The ethical dilemma here is between the personal choice of status quo and professional demands for infusing technology in day-to-day operations.
 - Globalization era is also associated with increasing demands for transparency and accountability. The ethical dilemma which civil servants face is judicious use of discretionary power while at the same time upholding the principles of transparency and accountability.

Handling these challenges and ethical dilemmas require a multi-pronged approach for upholding the foundational values of civil services. Therefore, there has been change in the approach in the following manner:

- Civil servants are shifting their orientation from being controllers to facilitators and from being providers to enablers. This way the State can focus more on the social sector while economic activities are left to the private sector.
- Values such as non-partisanship, empathy and compassion are now considered as foundational values along with the traditional values of integrity, objectivity and public service dedication.
- Civil servants are being equipped with the necessary skills and capabilities to master new technologies and new styles of functioning. This will bring about an attitudinal change required to adopt technology.
- Along with the code of conduct which may not be able to cover every possible scenario, code of ethics is also being focused upon so as to guide the actions of civil servants while acting under discretion.

2. “A world without nuclear weapons would be less stable and more dangerous for all of us.” Critically examine the ethical dimensions of the given statement from the perspective of international relations.

Approach:

First part of the answer should bring out how the issue of nuclear weapons has its own moral dimensions. Then one should examine the different ethical dimensions of the statement. They may be:

- Stability in world affairs v/s always living under fear.
- If Nuclear weapons in themselves are moral or immoral
- From the point of view of Utilitarianism and deontology.
- Money for weapons v/s money for poor and other developmental objectives

Suitable examples provided to support the arguments. Preferably the conclusion should favor the disarmament.

Answer:

Nuclear weapons have the potential to destroy the entire ecosystem of the planet. However, a handful of states insist that these weapons provide unique security benefits, but reserve the sole right to possess them. Hence, the possession of nuclear weapons leads to numerous moral/ethical dilemmas.

The first question is whether the nuclear weapons are moral or immoral in themselves. According to ethical theories, since morality cannot be attributed to non-human things, hence nuclear weapons in themselves are neither evil nor good.

According to proponents of nuclear weapons, these weapons create deterrence and stabilize the world order. Proponents of deterrence claim that nuclear weapons are not so much an instrument for the waging of war but political instruments "intended to prevent war by depriving it of any possible rationale." They argue that nuclear weapons deterred the full-scale war between USSR and US during the period of cold war.

But it can also be argued that nuclear weapons create an environment of constant fear and jeopardise the life of millions of innocent people. Living constantly under fear subdues the free will; it is no way to maintain a world order. It erodes the dignity of human life.

From the utilitarian perspective, while nuclear weapons give a sense of security to the nations, which possess them, but it instills fear of complete destruction in the mind of billions. Even the citizens of nuclear-armed states cannot be sure of their safety. Hence, on the touchstone of 'maximum good to maximum people' nuclear weapons falter.

Similarly from deontological perspective, it is the duty of the governments to make their citizens empowered and free from fear. But nuclear weapons do exactly the opposite. Although they lead to some stability in world relations but leave the people incapable of defending themselves in the case of nuclear war. Nuclear weapons also use human life and emotions as means; hence they also fail the deontological test.

Another dimension could be whether the money used for production of nuclear weapons can be put to better use. If money is saved from refraining from arms race, it can be used to strengthen the social welfare mechanism of governments. Definitely spending on social upliftment is more moral than spending on weapons, which are never supposed to be used.

3. *The increasing speed and scope of globalization has raised several ethical concerns. Analyze with examples.*

Approach:

It can be seen that even though the world has become a better place to live in terms of economic development due to the fruits of globalization, in terms of peace, environment, human rights etc a number of ethical concerns have been raised. The answer should focus on each of these issues such as the climate change, disarmament, IPR etc. Students should elaborate on a few of them. List have been provided with elaboration on a few of them.

Answer:

As interaction, competition and collaboration among the nations are continuously increasing we find that it has raised many ethical issues in the global arena. It is observed that though the world is becoming a better place to live in terms of economic prosperity, but in terms of equality, peace, environment and human rights, there have been number of issues involving some ethical concerns also. Some of them being:

Climate Change: Countries are divided on the issue of common but differentiated responsibility and on technology transfer and funding arrangements. It is the responsibility of both the big and the smaller powers to ensure that we leave behind a world that is safe for future generations to live in.

Disarmament: World today has become a treasury of all the kinds of mass weapons of destruction. Ironically the cause of disarmament at the international stage is being promoted by those states, which have massive reserves of nuclear armaments, missiles and nuclear powered submarines. Also, countries like the USA impose economic and other sanctions on countries like Iran to prevent them from developing nuclear weapons. There are unanswered questions like how it is ethical for a country to impose sanctions on the others without discarding their own weapons of mass destruction.

IPRs: The developed countries are depriving the poor countries from accessing the new technologies by the restrictive clauses of IPRs. Ironically, the same restrictive provisions are also applied on things like the life saving drugs. In this debate, it is essential to determine whether it is justifiable for a country to defend its IPRs on the ground of commercial benefits, or they should ethically share the technology for the greater cause of the humanity.

Trade Negotiations: The Doha Round of world Trade Organization is pending to reach a consensus. In this context, the basic question involved is whether the developing countries are ethically and morally correct when they demand higher concession in international trade.

Outer space

Humanitarian interventions

Management of Common goods

In such issues it has been observed that countries have gone on to give more importance to national issues than to ethical responsibility as per humanitarian values. This, in the long term, would be detrimental not only for the other counties but for the country in question also. It is, therefore, important to consider the ethical grounds and take a holistic approach to all issues in order to ensure equitable development.

4. *The Vienna Convention on Diplomatic Relations provides blanket cover to the activities of diplomats and their family members? What are ethical issues arising out of such a wholesale cover? What would you suggest to address those problems?*

Approach:

- Discuss the concept of diplomatic immunity and provisions in Vienna Convention.
- Bring out the ethical issues with help of examples of abuses of diplomatic immunity by diplomats and their family members.
- Suggest measures to address the problems w.r.t. changes to be made in Vienna convention and also efforts to be taken by countries.
- Conclude with a balanced opinion.

Answer:

Vienna Convention on Diplomatic Relation 1961 defines, characterizes and lists the powers and immunities provided to the serving diplomats of the various countries.

Diplomatic immunity is based on the principle that diplomats should be able to function without fear in a foreign country. Under Vienna Convention the diplomatic agents are completely immune from civil as well as criminal jurisdiction of receiving state for any act done either in official or personal capacity. The family of diplomat enjoys same immunity status as that of agent.

Various cases of abuses of diplomatic immunity bring out the issues such as:

- Immunity has accorded impunity to diplomats and their family members even in the cases of grave crimes such as rape, murder, imposition of slavery etc., for e.g.

immunity claimed by diplomat from Saudi Arabia against allegations of rape of two Nepali women, diplomat from Georgia claimed immunity in a case of drunk driving in which he killed a girl.

- Since diplomatic immunity shields accredited persons against domestic jurisdiction, it practically interferes with intended operation of a legal order.
- Diplomatic immunity often comes in collision with principles of natural justice and human rights. The aggrieved individual is often left with no course of action to achieve justice and has no remedy for compensation.
- The diplomats are representatives of their country; while the diplomatic immunity does insulate them from harm; it brings bad reputation to their country and a blow to the bilateral ties.

Following actions could be taken to address the problems:

- A permanent international diplomatic criminal court can be set up with mandatory jurisdiction over diplomats accused of criminal acts.
- A bilateral claims fund can be maintained by countries to compensate those injured by diplomats.
- Consular staffs are not indemnified from serious criminal offences. This provision should be extended to diplomatic immunity.
- Diplomatic immunity can be limited to the serving diplomat rather than extending it to their family which are involved in heinous criminal offences.
- The sending nations should adopt a practice of trying diplomats once they return.
- The Vienna Convention needs to be revisited and reformed to ensure that it does not function as a shield for delinquent diplomats.

Immunity is essential for diplomats to work with freedom, however effective mechanisms should be put in place to prevent and penalize the abuses of such immunity. The responsibility lies with the diplomats to pay respect to local laws while pursuing their duties.

5. *A broad ethical framework as a guiding light for international relations will not only ensure harmonious relations between nations but will also lead to progress of the human race. Discuss with examples.*

Approach:

- Highlight, with examples, the ethical dimensions in international relations.
- Discuss how an ethical framework can act as a guiding light for harmonious relations.
- Conclude with overall impact on people of such ethics based relations between nations. Examples from climate change or nuclear arms or trade pacts negotiation can be given.

Answer:

Relations between sovereign states are largely historical in nature. However, economic and strategic considerations have led to formation of new and often opportunistic alliances in recent past. In international forums, countries mostly negotiate in groups based on their own perception of what is good – economically or strategically, for them. This approach ignores the larger ethical framework to take decisions which may be good in the long term for all and rather relies on short term good for a few.

A broad ethical framework for international relations can be framed keeping the following principals at hand:

- Equity, Justice and Human Dignity should form the bedrock of international negotiations, conventions, agreements, treaties and protocols.
- Upholding these values in face of adversities like economic turmoil, climate change or terror must inform the decisions taken. Issues must be resolved morally and not merely politically.
- Equally important is transparency, which makes the whole decision making process more acceptable.
- Cooperation between nations is crucial as number of human lives depend up on success/failure of decision. As such, early and time-bound conclusion of negotiations should be adhered to.
- The international community has a responsibility to assist the state to fulfill its primary responsibility of protecting its citizens (As envisaged in Responsibility to Protect (R2P) in UN resolution).
- For e.g., failure to reach consensus on Syrian conflict has led to loss of number of lives; Climate change negotiations have produced too little too late, the result of which is imminent threat of drowning faced by Pacific Island Nations. Similarly, national anti-corruption measures need reinforcement at the international level with mutual assistance and cooperation.

Student Notes:

Examples:

Challenge	Ethical Solutions
1. Terrorism:	<ul style="list-style-type: none"> • Promote inter-faith dialogue; • Adopt a multicultural approach; • Emphasize secular values like peace, truth, tolerance, honesty, non-violence,
2. Climate Change: Exploitation of resources; luxury v/s survival;	<ul style="list-style-type: none"> • Equitable distribution of responsibilities. • Sustainable development through Recycling, Reuse, Optimisation and conservation.
3. Poverty and Financial Instability: Socio-economic inequalities, insensitivity.	<ul style="list-style-type: none"> • Issues must be discussed at international forums like WTO, UN. • Unilateral/Multilateral actions should be discouraged.
4. Disarmament : Morality of nuclear weapons, non-violence	<ul style="list-style-type: none"> • Encouragement of principle of peace, harmony, love and compassion • Cooperation should give precedence over competition
5. Organized Crime, Drugs, Human Trafficking	<ul style="list-style-type: none"> • Dignity of human life should be upheld under all costs with zero tolerance for crime. • Mutual assistance

By overcoming these challenges through the principles of ethics, number of lives can be positively changed. Decisions based on ethical principles are more logical and easy to accept. However, political considerations at home usually mar the ability of negotiators to arrive at them. Taking the opposition parties, private entities, NGOs, etc, in confidence through transparency can remove these hurdles.

6. Around the world, more than 125 million people need humanitarian aid. With special reference to financial assistance, discuss the various ethical issues involved in addressing the needs of those in dire circumstances. What measures can be undertaken to ensure that donations and aids for such purposes are thoroughly channelled to meet their targets.

Student Notes:

Approach:

- Introduce your answer with humanitarian aid and the types of assistance or aids available.
- Write the ethical issue involved with the humanitarian aid and assistance to the areas of disturbance and calamities.
- Write measures to be taken for better channelization of donations and aids.

Answer:

Humanitarian aids are the actions designed to save lives, alleviate suffering and maintain and protect human dignity during and in the aftermath of emergency situations. Humanitarian principles are rooted in international humanitarian law of humanity, neutrality, impartiality and independence.

In the areas of disasters or natural calamities the primary aim is preventing human casualties and ensuring access to the basics for survival: water, sanitation, food, shelter, and health care. Whereas, in the areas of conflict/war torn regions, the priority is to assist people who have been displaced, prevent the spread of conflict, support relief work, financial assistance and prepare for rehabilitation.

Ethical issues related with humanitarian assistance

- **Assistance with certain conditionality-** World organisations like World Bank, IMF or some humanitarian organisations provide assistance to the war torn countries on the basis of fulfilment of certain conditions like “peace conditionality”. This can indeed force adherence to the peace process or impose reconciliation. But, we have witnessed that the cooperation from local authorities was often pure lip service in order to get rewards from reconstruction funds.
- **III targeted and Misuse-** It is not necessary that the assistance shall be used in the relief work only. Ethical dilemma persists for whether one should assist the conflict region even after knowing that the finances may not be used in the pre-decided work.
- **Funding to terrorism-** Humanitarian organisations have to collaborate with the rebel groups to intervene for assistance which can be used for their terror activities in the region.
- **Fuel to war-** Humanitarian aid has been accused of fuelling war economies and prolonging conflict by providing assistance, directly or indirectly, to combatants and their military operations. The conflicts in Somalia, Liberia and Angola are usually mentioned as prime examples.
- **Implicit recognition to rebel groups-** The negotiation with the groups in charge of a certain area means giving recognition to their authority and legitimacy.
- **Benefits from assistance-** The groups might derive considerable financial benefits from humanitarian operations by imposing charges on transports, levying taxes on imports and employees' salaries, and collecting rent for warehouses, offices and residences
- **Dilemma between neutrality and political activism**

The greatest challenges for humanitarian aid and development in the form of financial assistance are efficiency, effectiveness and the extremely complex political, economic, and social side effects associated with them. We can channelize funds by following ways:

- By determining accurate assessment of need.
- By doing away with disparities in assistance within particular contexts, owing to political or security constraints imposed on humanitarian organizations. Such disparities in the level of assistance can be the reason for large population movements.
- There should be coherence between humanitarian law of humanity, neutrality, impartiality and independence.
- Coordination of activities among humanitarian organisations, the military and political intervention forces.
- Involvement of local administration and civil society in the humanitarian work.
- Conditions should include requests for active participation in specific aspects of the peace process.

Sustainable long-term development obviously depends essentially on the political and economic framework and on the institutional and physical infrastructure a State is able to provide.

7. Analyse the ethical dimensions of using nuclear deterrence as a self-defense strategy.

Approach:

- Explain the meaning of nuclear deterrence.
- Discuss the pros and cons of nuclear deterrence from ethical perspective.
- Conclude by giving your own suggestions.

Answer:

Nuclear deterrence is a psychological phenomenon which gained prominence during the Cold War era. The strategy involves deterring an aggressive power from taking harmful action or preventing the other state from resorting to the threat of use of military force in pursuit of its own foreign policy goals. The success of deterrence lies not only on the retaliators capability, but on the persuasive appeal of the impending threat. The opponent must perceive the retaliatory threat as legitimate and serious. Thus, it acts as a potent self-defense strategy of modern times with many countries vying for nuclear weapons to protect themselves. For example, North Korean Missile programme.

However, nuclear deterrence comes at a huge ethical, economic, welfare and environmental cost. It has several ethical dimensions associated to it that demonise it as well as give it credibility.

Ethical arguments in favour:

- From the utilitarian perspective, it aims to bring long term peace.
- It strives to maintain international peace and stability.
- The fact that there has not been a war between nuclear-armed states due to fear of mutually assured destruction implies that deterrence has prevented aggravation of conflicts.
- It has indirectly saved millions of lives as states otherwise would have resorted to conventional warfare.

Ethical arguments against:

- It is intrinsically wrong to put lives of other human beings at risk on the back of nuclear deterrence.
- It is immoral to detonate an atomic weapon due to both short and long-term catastrophic effects.
- Even with best intentions amongst nuclear-armed states, there are always risks of accidents and inadvertent escalations that may trigger nuclear exchanges.
- Possibility that nuclear-armed states may go rogue, collapse, or fail to prevent their arsenal from falling into hands of terrorists, cannot be ignored.
- Development and acquisition of deterrence requires deployment of huge human, technological and financial resources. These have an opportunity cost in terms of education, health, infrastructure and quality of life.

Student Notes:

Though there may be apparently few benefits of nuclear deterrence, but certainly they come at a price. Disarmament can be seen as the moral alternative to deterrence because the worst possible outcome is less catastrophic. Recently concluded Treaty on the Prohibition of Nuclear weapons is a right step in the direction and international disarmament seems a distant but possible pursuit now.

8. ***Many argue that there are times, when war is morally permissible, and even obligatory. Critically discuss.***

Approach:

- Introduce the answer by explaining ethical dilemmas regarding a war.
- Then mention how a war can be just and morally permissible.
- Conclude by critically evaluating the premise that a war be obligatory and moral.

Answer:

In its raw form, war is nothing but a duel at an extensive scale. It is an act of violence to compel our opponent to fulfill our will. Clausewitz defined war as a mere continuation of policy by other means. Thus, war becomes a political instrument to achieve one's goals. Use of this instrument is many times conditioned on exhaustion of all other instruments to achieve the same political goal. In view of subjective nature of 'exhaustion of all other instruments', war is many a times resorted to without active effort to avoid it. Thus, there are three moral positions that can be taken in context of a war. The **pacifist** perspective completely rejects the morality of war, from the perspective of a **realist**, war is not a moral enterprise and thirdly there is the middle approach of a just war. It states that under certain conditions war may be morally permissible or even necessary. The '**Just War Theory**' of St. Augustine (5th Century) helps in ethical assessment of a war.

- As per the theory, a war is just if the reasons to go to war, the conduct of war and post war resolution is right. War is ethical and just, if
 - Waged by legitimate authority (e.g. after UN sanction)
 - Has a just cause (e.g. against a State that indulges in human rights abuse)
 - Waged with right intention
 - Is the last resort
 - Be proportional (e.g. no use of nuclear weapons against conventional weapons)
 - only *unjust* combatants are legitimate targets of attack
- Similarly, Mahabharata outlines the principles and contours in conduct of a just war. Some rules propounded were –armies were allowed to collect bodies, personnel could meet for negotiations etc.

- In Statecraft, war is obligatory and moral when a State is defender, not an aggressor. For – example India has fought 4 wars since independence. And it has never been an aggressor. Its actions were aimed at defending its citizens, territory, resources and sovereignty.
- A war might be ethical but the means to wage the war is seldom principled especially in modern warfare which indiscriminately uses landmines, tortures, chemical and biological weapons and non-targeted bombings through drones. That the war is “just” is also questionable. For instance, though the professed aim of 2003 Iraq war was to liberate Iraq, usher democracy and eliminate biological weapons, none of the these aim was achieved and sufferings of Iraqis continue till date. In fact, there was not even a UN sanction of the war before starting it.
- Even grounds of humanitarian interventions are not equal and proportional. Ex-NATO intervened in 1999 justifying the campaign in Kosovo as a "humanitarian war" but no one took cognizance of 1994 Rwanda genocide.

Hence, war in modern times is one of convenience to achieve geo-political goals, sometimes garbed under the facade of ethics and human rights. Justifying interventions has become increasingly difficult and a general trend has been towards avoiding war at all costs because of the catastrophic after-effects it has. Therefore, the character of war is changing fast and the ethics needs to keep pace with this change. Else a war remains inherently unethical.

9. *While in principle most nations claim commitment to universal values, in practice these values are honoured more in breach than in the observance. In context of this statement, comment on the relevance of values in foreign policy.*

Approach:

- Introduce the answer by explaining universal values and discuss how countries adhere to them.
- Explain the role of values in foreign policy.
- Conclude the answer by mentioning how India abides by these values while dealing in international relations.

Answer:

A value is a universal value if it is recognized and considered significant uniformly by all. In the arena of international relations, nation states recognize peaceful resolution of international conflict, quest for justice, respect for the dignity of human life, sovereign equality, and humanitarian cooperation and assistance, amongst others as universal values. While most of these values existed as customs since ancient times, their codification became significant in the aftermath of World War II.

More breach than observance

Though, most nations claim their commitment to the universal values, but on many occasions, they find it difficult to conduct their foreign policy based on these values. It is because the foreign policy in contemporary times is governed by realpolitik which places national interest on top. International relations are conducted with self-interest and in the background of war or a threat of war. This is evident from the way the power is exercised or projected by instruments such as joint military exercises or imposition of "sanctions" or higher tariff on imports. However universal values are critical factors in dealing with global issues like the climate change or Human rights crisis in some states or communicable disease and medical research.

For example, while most countries pledge their commitment to non-interference and peaceful conduct of foreign policy, in reality, they are involved in power maximization which pits them against their co-aspirants. Similarly, while most countries pledge commitment to environmental protection, in reality their focus is solely on economic growth, even at the cost of environmental destruction.

In certain cases, some states are compelled to put aside these values in their quest for survival and dignity. For example, India's pursuit for Nuclear power in spite of its commitment to non-violence and peace.

Relevance of values in foreign policy

Since countries are sovereign entities in themselves, there is no external body that can dictate their actions. Still, despite few aberrations, the world order has shown remarkable tenacity to stick to certain core universal values because they give continuity and predictability in negotiations with a foreign power. In fact, trust is the key building block of international relations. Pursuing short-sighted interests may bring immediate benefits to countries but it undermines the trust of the world order in them. If a country undermines a treaty or unilaterally backs-off from it, it disincentives others as well. After witnessing two world wars in 3 decades, any conflict of such scale for next 70 years has been avoided, in part due to this adherence. Democracy is one such universal value to which many erstwhile Asian and African colonies have shown allegiance to.

India's track record in observance of universal values is second to none. Despite having a hostile neighborhood, India has never been an aggressor. In addition to this humanitarianism has been core of India's foreign policy. It has been home to highest number of refugees coming from all around the world.

8. Previous Year Vision IAS Mains Test Series Case Studies

1. *You are representing India in an international bidding for oil exploration in a country. Other, richer countries are also bidding for the project. You are sure that your bid of exploration is better as well as cheaper than that of others, and that you will definitely win the bid. A day before the auction, you come to know that other countries are employing every means, including bribing the authorities for being successful. Some of the officials of the home country have also contacted you and made some demands in exchange for assurance of India winning the bid. You are aware of the criticality of this bid in terms of domestic economic and strategic implications. Based on above information, answer the following questions.*

- (a) Specify the ethical dilemma(s) that you face in this situation.*
- (b) Do ethical concerns really matter in international transactions or are they secondary to domestic interests?*
- (c) What will be your course of action in the above situation? Justify with merits and demerits.*

Approach:

- Identify the ethical dilemmas that you face.
- Highlight the importance of ethical concerns in international transactions vis a vis domestic interest.
- Then mention the course of action that you would follow. Justify it by taking into account the merits and demerits of the decision.

Answer:

- a) The situation in this case study presents the following ethical dilemma:

The dilemma is whether to pay the bribe vs being upright and avoid the temptation to pay.

The former action may help India win the bid, but it will be an unethical course of action and may spoil the image of the country in the long run when the truth comes out in the public. It will also have adverse consequences for India's relations with the countries involved in bidding process. Moreover, this is inimical to a healthy competition, level playing field and innovation. This action will also set a wrong example to others. The action is not only unethical but also illegal as regards to Indian laws. It may not bring in me a sense of accomplishment or content.

The latter course of action may lead to a possible defeat in the bidding process, setback for my career and economic and strategic implications for the country. But it is the right path to follow.

b) Advocates of national interest in international relations argue that national interests are paramount. As Henry Kissinger has said- "there are no permanent ally or permanent enemies, only interests are permanent". These arguments are based on the fact that the government of a country primarily works on the behalf of its citizens and thus it is bound to uphold their interests. The political party in power has to face general elections regularly and its report card of performance evaluates not only domestic but international actions as well. Hence, national interest alone should be paramount in international relations.

However, these arguments suffer from certain inconsistencies. If the national interest alone is taken into account then wrong doings like colonization, regime change, arm twisting of weaker nations etc. will be justified. Further, there exists a wide inequality internationally and if strong nations justify their actions solely based on the national interests than this gap will further widen. Moreover, the global commons will not survive and sustainable development will remain a distant dream.

Thus, fairness, justice, apathy, sustainable development of whole world, equity etc. are ethical principles which are as important as national interests and really matter in international relations.

c) In such situation, I will pursue the following **course of action**:

- a. Verifying, at my own level, the correctness of information related to bribery activities in the auctioning process.
- b. Informing my seniors, seeking their advice as they might have faced similar situation earlier.
- c. Approach the head of the authorities handling the whole process of auction and inform them about inconsistencies which has come to notice and demand a fair and transparent bidding process.
- d. If grievances are not addressed at that level then, after taking my seniors into confidence, we can approach other higher authorities of home country like judiciary for intervention.

I will also demand that the officials involved in bribe-seeking activities must be punished which will deter such malpractices in future. Those nations who are involved in unfair practices must also be punished (by way of fines, blacklisting them or cancelling their bids).

Justification of such course of action

In international transactions, sometimes unethical actions like bribery are also sought to be justified in the name of national interest. However, on a closer look, such actions are clearly against the national interests in reality. The revelation about involvement in bribery would jeopardize the international relations of future generations of our country.

Further, a single contract cannot be so important to our country that we sacrifice our moral standards and higher values maintained for so long. Moreover, corruption can never be the true foundation of prosperity. The gains obtained from it corrupt the whole society.

By following the stated course of action, I will display faith in the governance of home country, uphold our moral values and there will be higher chances of fair bidding process. As India's bid is better and cheaper, it will ensure India's success. It will generate the good will for our nation among the people of that country; set a right example against corruption in international transaction. Overall, it will be a right step towards the righteousness which we expect in international relations.

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APPROACH TO CASE STUDIES

Student Notes:

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1. Introduction

As civil servants, you will be expected to take decisions which have widespread impact. You must be able to quickly arrive at a decision which is just and fair, backed by knowledge of law and policy. The way to arrive at just and fair decisions is through reasoning and arguments. You should be able to analyse the merits and demerits of options available to you and then put forth the best amongst them as your decision.

The case studies in the examination generally require you to act in a certain position. At the same time, there are other stakeholders as well. Every person or institution/body involved in a situation has different objectives and motives which they seek to satisfy. They have their own vested interests and preferences. Many times, these interests are in conflict with each other.

Even though each case study is unique in itself, we can use a systematized approach to answer them effectively. The framework for answering discussed below will help you to arrive at ethical and practical solutions and present them in a lucid manner. This document will help the students in developing that **reasoning framework** and possibly lead to answering case studies **quickly and correctly**.

***Note:** The purpose of this document is not to tell the student what is the correct decision in a given case-study. Rather it only seeks to assist the student in answering the case study in a **logical and structured manner** so that there is **argumentative consistency** and **no part of the question is left unaddressed**. Answering case studies requires not only providing a solution but explaining **why is it better than other alternatives**, in a reasoned framework.

2. Framework for Analysis

Case studies present a situation where some **ethical dilemma is involved**. An ethical dilemma is a situation involving two possible choices, neither of which is unambiguously acceptable or preferable.

For example, knowing fully-well that if I help someone in road accident case, I will be subjected to intense questioning by the police, which is going to be harrowing experience, what should I do?

If this question is merely ‘asked’ (such as a case study in Paper IV), we may be tempted to answer it in the most ethical way; however, our reaction in a real situation may be more selfish.

Taking the injured person to the hospital can save her life and should be of paramount importance. But realizing that I may be harassed by the police later on, I can change my mind. I may also try to convince myself that someone else might take her to hospital, and try to lessen my own duty. Neither of the choices is unambiguously acceptable and carries some demerits. Recognition of these demerits is extremely important for a complete, argued solution. It is important because as a civil servant, you are expected to deal with situations in totality. One will be expected to know what his/her responsibilities are as well as does one have adequate power and authority to carry them out?

Similarly, on witnessing corruption in public service, an honest employee may be compelled to expose the wrongdoing through whistleblowing, but that can jeopardize his career. He may bow down to the pressure, which can be beneficial in his career progression, but that will produce internal dissonance. Corruption is an ill of the society as well as economy. It is recognized as such everywhere. However, it has come to be accepted as a necessity to grease the wheels of the economy (according to 2nd ARC). Can such a justification be enough for a civil servant to push the instances of corruption under the carpet? Absolutely not.

Most of the students recognize these merits and demerits. Then what is the correct way of presenting your answer? Let us take a look a simple case study-

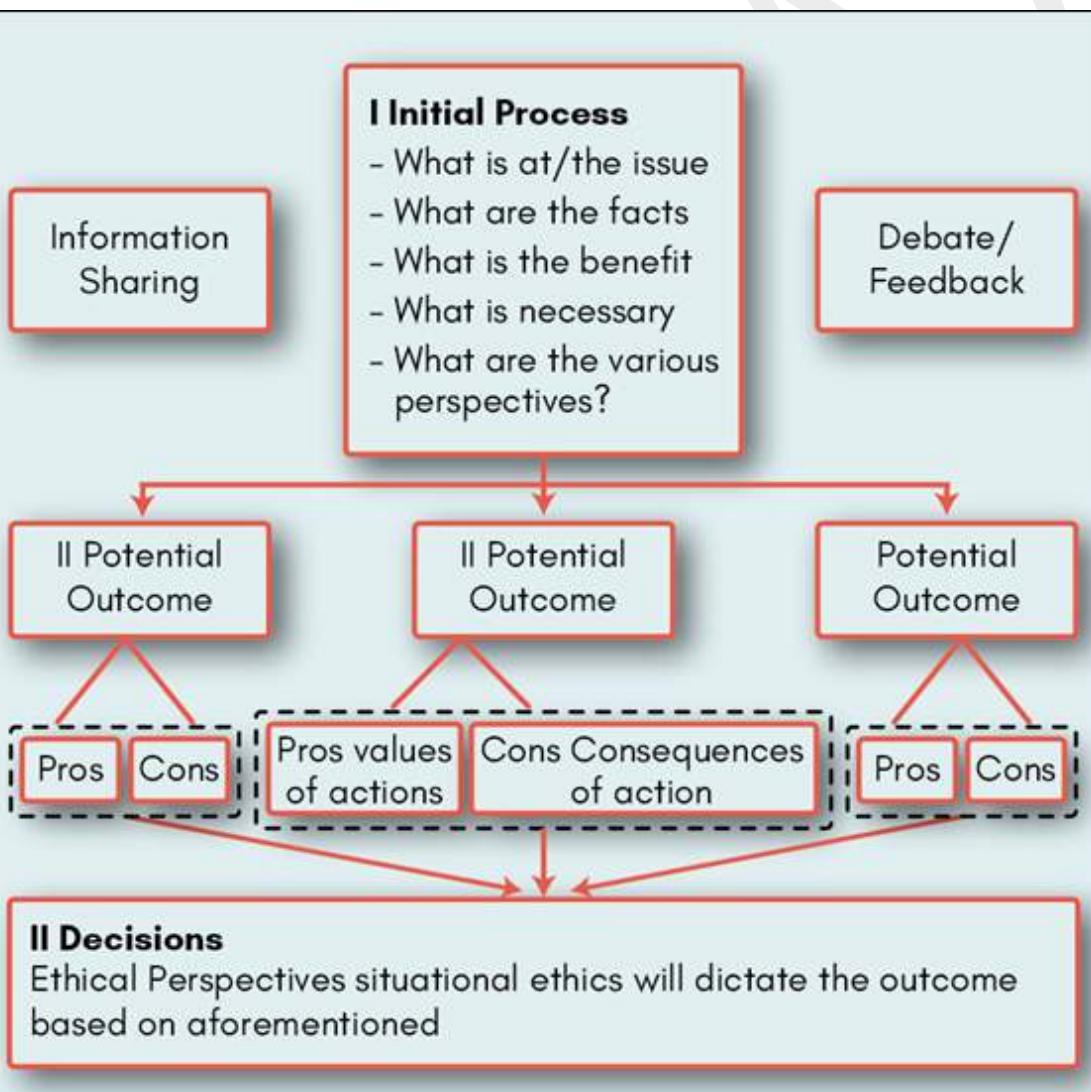
Dealing with a water emergency in Bogota, Columbia

The way this was handled illustrates how policy approaches can both undermine and nurture cooperative behavior.

In 1997, part of a tunnel providing water to the city collapsed, triggering a water shortage emergency. The city government's first action was to declare a public emergency and initiate a communication program warning inhabitants of the coming crisis. While this step was intended to promote water conservation, it instead increased both water consumption and hoarding. Recognizing the problem, the city government changed its communication strategy, sent around volunteers to educate people about the most effective conservation measures, and began publicizing daily water consumption figures and naming individuals who were cooperating with the effort, as well as those who were not. The mayor appeared in a television ad taking a shower with his wife, explaining how the tap could be turned off while soaping and suggesting taking showers in pairs. These strategies strengthened cooperation, and reductions in water use persisted long after the tunnel was repaired.

The purpose of this case study is to open the mind of the student towards different approaches to a problem, what can be the possible challenges, even when the intention is right and to recognize the shortcomings and improve the course of action.

Student Notes:



3. Structure of the Answer

Case studies can be from any field – administrative, science/medical, sports, corporate, etc. However, a common thread is that there are conflicting interests which you, the decision maker, are faced with and most of the time you will have to make a choice. In the paper, either there is

a list of the possible choices, each one of which has to be evaluated on merits and demerits, or one has to self-formulate the choices first and then evaluate them. Finally, an argued plan of action has to be provided.

Student Notes:

We would like to clarify at the outset that no one structure of case-studies is perfect. Different people use their own methods and have fared well. There is no ideal answer or answer format either. In fact, time constraints in ethics paper leave little scope to have an ideal answer. However, with practice and some smartness, one can answer the case studies in a near impeccable manner. There are certain best practices, which can be followed. For example,

- Having a pre-memorized list of common dilemmas, conflicts, values and precedents which you can reproduce in the answer quickly
- Maintaining a logical flow in the answer- It helps in arriving at an argued solution in lesser time
- Recognizing the merits and demerits of different ways to handle the dilemmas. Only after one recognizes the demerits can one actually address them. This is the argumentative aspect of the answer. Here one can bring out the relative preference of principles and values that one uses to handle the situation.

What should be a good structure of the answer? It depends on the format of the case study. Here we are considering a broad type of case study in which you (the writer) have been given a role of a decision maker and have to write about various options available and finally have to choose amongst them based on merits and demerits.

What should the subheadings be? - The general structure of the answer:

1. **Identify the facts of the case-** This task is very important because it helps separate facts from biases and stereotypes that we may have. Many times, when we witness the term ‘politician’ in the question, we may have the tendency to associate corrupt practices with him. However, if the case study does not mention any wrong doing on his part, we cannot assume this to be true. In our answer, we must explore an optimist possibility – but that will still be a possibility, not a fact.
2. **Identify the stakeholders in the situation and their interests.** This exercise helps in recognizing different people (including self) or institutions that will be affected in any course of action. These people have varying interests, sometimes common, sometimes conflicting. Although ultimately the decision will be taken solely on merits and not on individual or group preferences, but identifying the interests of various stakeholders helps one understand the broader picture and take a more reasoned decision.

3. **Identify the Ethical dilemmas.** This is the core aspect of the case study. An ethical dilemma is a situation in which a difficult choice has to be made between two courses of action, either of which entails transgressing a moral principle. It is a decision-making problem between two possible moral imperatives, neither of which is unambiguously acceptable or preferable. For example, a soldier may face an ethical dilemma: *leave his post under attack to help save his father's life, or follow his sense of duty?*

General structure of answer in a case study:

1. Facts of the case
2. Stakeholders and their interests
3. Ethical dilemmas before the decision maker
4. Possible courses of action, their merits & demerits
5. Chosen course of action – Merits as well addressing the demerits
6. Conclusion – values which are upheld, benefits that accrue.

Once we identify various stakeholders and their interests, it becomes easy to identify the dilemma- should I do X or Y, should I prefer value A over B, or should I give benefit to person 1 or 2? Neither of the choices is unambiguously correct, but it has to be made and reasoned.

Please Note- An ethical dilemma should be presented in form of conflict of values rather than the resulting conflict of actions i.e. preferring value A v/s value B rather than doing X

(which is a consequence of preferring value A) v/s doing Y (which is a consequence of value B). In the situation of the soldier mentioned above, it would mean that the ethical dilemma is Professional duty v/s personal responsibility rather than staying at post v/s tending to his father. When we write the actions, we end up repeating what is already there in the problem statement.

- 4. Identify the various plans of actions, their merits and demerits.** Once we are able to list down the dilemmas, it becomes clear as to what possible courses of action will we choose. At its simplest, it would be giving higher priority to a particular value over the others, and the consequential course of action. Formulating these courses of action becomes straightforward if we have chronologically followed the above order and identified ethical dilemmas.

While writing merits and demerits, students are advised to focus on consequences (i.e. events) as well as values. Consequences are not those that are given in the case study, but are events which have higher possibility of occurring once you choose a particular course of action. In the soldier case, the merit of choosing to stay will be a higher chance of thwarting the enemy and protecting the nation, reflecting patriotism as an apex virtue and showing a sense of commitment towards duty. Demerit will be potential loss of life of his father accompanied by a possible lifelong internal guilt of not doing enough.

Doing nothing or resigning from post is also a decision which many students write in the answers. It is not an ethical decision because it does not resolve the situation, only delays the consequences, creates internal dissonance and reflects a weak, selfish personality.

- 5. Decision making- Identifying the course of action.** Once we identify merits and demerits of the given/formulated courses of action, it gives us a direction about which plan to choose. Important aspect here is not just repeating what has already been written above but to go further. Once we have chosen the plan, which we think is right, it is imperative that we address its demerits. As a civil servant, you will not only be expected to do what is right, but also minimize what all wrongs may emerge. You are accountable for the decision- to your senior authority, to judiciary, to the government as well as the people. Whatever your decision is, you will be expected to know and explain why you chose it over the other possibilities. Has your decision been made through the due process or is it arbitrary? Is it based on the principles of neutrality, objectivity and impartiality or does it smack of bias? Further, even if it meets all the rules and regulations, are there any fallouts? How do you plan to minimize the demerits and losses? – All this information is necessary while you are explaining your decision.
- 6. Conclusion-**It is advisable to end the answer with a reflection of values. Student may add a few lines about the values that have been upheld- constitutional and civil service values such as empathy, dedication to public service, fraternity, leadership in difficult situations, sensitivity and interest towards other cultures, etc.

Example 1

Take for example a situation in which a newly recruited engineer (i.e. you) in Public Works Department notices corruption at managerial level. He notices use of lower quality material than certified as well as awarding of contracts in an unscrupulous manner. He finds out that even the top management is aware as well as party to the corrupt practices. His repeated pleas to the relevant authorities on the malpractices do not elicit any interest and he is advised to not interfere in administrative matters and stay silent. What should he do?

Structure of answer for the above case study

- 1. Facts of the case:**
 - a. There is corruption in the PWD in awarding contracts and use of low-quality material
 - b. The top management is also involved.
 - c. His complaints are going unheard and he has been asked to keep silence on the issue

2. Stakeholders and their interests:

- a. Myself (Engineer) – To work in an honest & healthy environment with opportunities for career growth and to uphold defined quality standards in projects. Besides, there is a personal interest to ensure security of job.
- b. Senior Management- those who are aware of the malpractices would like to keep the misdeeds concealed; those who are not a party to corruption would want to preserve integrity of the department. As is reflected from the case study's language, it appears that atleast some persons in the senior management would like the current corrupt arrangement to continue.
- c. The Department (PWD) - The department/institution would like to be manned by people with honesty and integrity, those who can perform work with efficiency. It will also like to complete projects on time and adhere to proper standards in their construction.

3. Ethical Dilemmas faced by the PWD Engineer- should he sacrifice the public interest or try to end the corrupt practice by direct personal confrontation? Should he blow the whistle on the practitioner of corrupt practice or keep silent when he finds out that administrative powers are being misused? Possible dilemmas include-

- a. Upholding professional values or succumbing to personal interest to maintain his career
- b. Obeying directives of the seniors or follow his own personal values

There is **breach of trust** in the public office if he chooses to gloss over corruption. Moreover, it may create **cognitive dissonance** whereby he may be under constant guilt for tacitly being a party to it.

4. Options before the engineer: The temptations of the engineer may incline him/her to act in a certain manner. These can be:

- a. **Being a party to corruption-** Commission of crime which entails punishment can never be a rational choice, still it is a test of character and will in the given circumstances.
 - i. **Merits-** This will bring monetary benefits and may be of help in career progression through the good rapport developed with senior management.
 - ii. **Demerits-** Apart from being illegal and blatantly wrong, even the benefits are not certain. Corrupt practices do get caught, more so in the era of increasing accountability. This will invite departmental action and even lead to dishonorable termination from service. Moreover, in the event of getting caught, everyone will try to save themselves first, and he being a newly recruited engineer may find little support in the senior staff.
- b. **To approach the departmental anti-corruption body**
 - i. **Merits-** Addressing corruption through the departmental channels should be the first step. It serves as a mechanism to ensure accountability of all employees.
 - ii. **Demerits-** Firstly, there is burden of proof on the person and it is unethical, even illegal to put allegations without substantive proof. This approach may backfire. Secondly, there is no surety that this department may not be compromised as the top management already knows and is party to corruption. Moreover, once the complaint becomes official, the seniors may not be very positive about performance evaluation.
- c. **To leak the details of corruption to media**
 - i. **Merits-** This method will give anonymity and therefore chances of personal backlash are less. Also, media being very powerful, it will help to create public pressure about impartial enquiry and punishment of dishonest officials.
 - ii. **Demerits-** This is a breach of organizational rules and bypassing the procedure. An individual is not bigger than the organisation. Also, in absence of credible information, media may not be very interested in the case and may downplay it as an accepted practice. Moreover, this is too serious an issue to be trusted to media persons, whose credibility is itself uncertain.

5. Preferred course of action:

Student Notes:

Upholding trust in a public office is the duty of officeholder. Abetting practices that undermine trust is dereliction of duty. The course of action that I would choose in the given situation will be the one exposes corrupt practices and leads to reaffirmation of confidence in the department.

I will approach the vigilance department and submit a written complaint along with whatever proofs I have. Based on this, I will appeal for an enquiry into the matter. It is the duty of the enquiry committee to seriously look into the allegations made, investigate with impartiality and arrive at proper conclusion in a time bound manner. I am also duty bound to accept their findings.

There may be possibilities that the enquiry committee's constitution is delayed or that it itself comprises of people against whom allegations are made. I will pursue the matter continuously with the vigilance department unto satisfaction. In the extreme case, I may also consider complaining to the State/Central Vigilance commission and putting pressure through filing RTI. However, I should also emphasize that the demand is of an impartial enquiry and not necessarily declaring the alleged persons guilty.

As far as career progression is concerned, it is determined by evaluation of performance based on objective parameters. Both contribution to the department as well behavior at workplace are important. I will try my best to contribute to both by having a strong work ethic as well as maintaining a positive working environment.

6. Conclusion:

By following the above course of action, I would have upheld my duty towards the office as well as the personal values that I stand for. It also reflects perseverance in the face of adversity as well as brings out the traits of courage, selflessness and integrity, which are hallmarks of qualities in an individual, more so in a person entrusted with a public office.

Example 2

You, a manager in one of the top IT firms in the country, are tasked with hiring new recruits for an upcoming project. You find that the company has given tacit instructions of not hiring female candidates in view of the new maternity law passed by the Government. You find this highly objectionable and lodge a protest with people in the higher management but they are firm as they want to cut down all the unnecessary costs.

Based on this information, answer the following questions:

- Identify the stakeholders and their interests in the situation.
- What are the dilemmas that a recruiting manager may face in such a scenario?
- What are the different options available to you? Which one will you pursue and why?

Approach:

- List stakeholders like the hiring manager, the company, female candidates, Government and the society. List their interests.
- Discuss the dilemma(s) you are facing.
- List the available options, analyze each in the light of given circumstances and ethical conduct. Choose the one which you may pursue.

Answer:

(a)

Stakeholder	Interest
Company/Higher Management	Company's interest is to maximize profit by lowering down cost incurred per employee. In the case of female employee the cost of maternity leave is to be borne by the company. Hence the higher management wants to avoid hiring female candidates.

Hiring Manager (Myself)	My first interest is to hire suitable candidates for the listed positions irrespective of the gender. Avoiding confrontation with management while standing up to unjust policies is the dilemma faced in such situation.	Student Notes:
Female Candidates	Their interest lies in seeking a fair chance to get the job at the company. In the long run they expect equity in hiring and promotion and a safe working environment.	
Government and the Society	These stakeholders seek gender equality at workplace; For this it is important that issues arising out of maternity be redressed adequately via legislation(s) and social change. Though various maternity legislation may ensure assured maternity leave, flow of regular income and job security, it alone cannot bring out the societal change required for a gender vibrant culture at workplace.	

(b) Dilemma- Accepting the higher management's dictum and avoiding any female candidate v/s being fair and appointing a suitable candidate irrespective of the gender.

Additionally, I may also face the dilemma of forgoing a better candidate just because of gender. This will lead to loss of productivity and will incur a long-term cost to the company. The associated dilemma is the larger issue of gender biasness in society due to patriarchal attitude conflicting with the idea of equality and progress which demands change. It's important to promote gender diversity at the workplace; however, the current instructions by the company go against this principle.

(c) Different options available:

1. Rejecting female candidates- Though with this option I will avoid confrontation with the higher management, this would be contrary to basic human rights and the constitutional ethos of equality. This would filter out many genuine candidates and will constrict the candidate pool. This smacks of short-sightedness and narrow-mindedness.
2. Hiring a suitable candidate objectively and without discrimination- This will ensure that the most competent and deserving candidate are hired for the job.

Option which I will pursue: Confrontation is not the way out; persuasion is. The most appropriate way to persuade will be through attitudinal change, which however, is very difficult in the immediate term. But if I can objectively demonstrate that costs associated with hiring women employees are not significantly higher as compared to men and that productivity is independent of gender, I will be able to start the process of attitudinal change. I will take the help of HR department, and if required, the governing board of the company in the matter.

Regarding recruitment, I have to be objective in my assessment of candidates, not biased w.r.t. gender. They will be assessed based on their ability as well as job requirement. If the job profile does not demand a particular gender requirement, the tacit instructions should not carry much weight and may in fact be contrary to the policies of the company. I will report such instructions to the HR as gender discrimination is not only illegal but also vitiates the organizational culture and social image of the company. Additionally, I will undertake gender-sensitivity drive by involving my peers especially the working women in my organization. By doing so I would have upheld the dictum of 'Be the change you want to see'.

Example 3

You are a young civil servant posted in a tribal dominated district, which is notorious for illegal mining done by mafia. They exercise their power over poor tribals of the region by bribing the local tribal musclemen who have political aspirations. The consequent easy money and luxury have ensured that these musclemen work in the interest of mining mafia. They use these 'tribal' musclemen as a 'front' to plant 'constructed' news in the media to create confusion or to gain sympathy of the civil society activists and the public at large. It is a strategy to thwart any concrete action of the government for eliminating the menace of illegal activities in that area.

You quickly understood these designs after assuming the office. You came to know that some employees in your own office are in nexus with mafia. When you initiated stringent action against the mafia they turned hostile. They prompted few tribal musclemen to file a fake FIR against you under the stringent provisions of the 'Prevention of Atrocities Against SC and ST Act'. They also convinced the unsuspecting poor tribals that the state was 'again' launching atrocities against them. These poor tribals were eventually tutored to write a complaint to the National and State Commission for ST, a copy of which was leaked to the media.

This could easily become a very hot issue for the opposition parties in the state as the Assembly Elections were due only 6 months later. Unfortunately, all this can have grave consequences for your career.

- (a) Bring out and discuss the ethical issues involved in the above case.
- (b) What steps will you take in pursuance of the most appropriate closure of this case?

Approach:

The basic ethical issue involved is perseverance. You know something to be right and want to pursue it, even in face of adversity. The adversity here is personal integrity, commitment and professional progress at stake. Answer should reflect the awareness (as a Civil Servant) that such fabricated cases are a part and parcel of duty in a sensitive area, and thus should not impact one's functioning – a reflection of strong emotional character. Political leadership should be taken into confidence, rather than worrying for political results. The focus of the answer should be on ways to pursue the case successfully rather than listing the qualities of a civil servant like empathy, etc.

The answer should consist of the following parts:

- The facts of the case
- The major ethical issues involved
- The course of action, with reasoning

Answer:

The facts of the case are-

- There is illegal mining in a tribal district.
- The nexus of mafia, local leaders and some people in your office want to thwart your attempts to stop it. The local leaders are bribed.
- There is a fake FIR against you and a tutored complaint to National and State Commission for STs.

The ethical issues involved here are –

1. The illegal mining being done in the district is a loss for the State as well as the local community. It favours only a handful of people (mining mafia, local musclemen and compromised employees of State). While taking on the mining mafia with stringent legal action is the commendable, taking the tribal population into confidence is equally necessary. As an administrator, one must be aware of the situation in totality and not just aim for immediate & conspicuous objectives. Thus, without adequate awareness campaign inciting local confidence in administration, the effort towards eradication of illegal activities will go in vain. Moreover, the failure will further alienate the tribal confidence in government and thus make any future action requiring tribal cooperation even more difficult. In other words, the fear of the local population should be assuaged amicably.
2. Local musclemen thrive on two things – (i) finances from illegal activities, and (ii) disconnect between the state and the population. Although such people apparently represent local populations, their true intentions must be exposed. These people may even enjoy legitimacy among the population and a state action against them risks widening of

gap between government and the people. Therefore, they must be tackled carefully and systematically.

3. The substantive issue in the case is illegal mining, which must be stopped, not the fabricated case. One must deal with fabricated cases with confidence and they should not impact his/ her performance. In fact, one must be ready to face hurdles in such endeavours. The 'Prevention of Atrocities Against SC/STs Act' provides for recourse to the High Court for quashing of such fake FIRs. Legally, therefore one should not be worried. However, in the event of elections in the State, the government may try to intervene and play into the hands of the opposition. As mentioned above, a setback to the case at this stage will not only let the mafia go off the hook, but also legitimise the local musclemen and widen the gap between local population and State. The ethical issue that comes out is how can one remain motivated and committed in such a situation – where the employer, the peers and the effected allegedly conspire against him?

Right course of action towards closure of this case –

The right course of action would involve the following steps:

1. A strong case should be built against the illegal activities of the mafia. The scope of investigation should be wide, covering the local musclemen as well as government servants. With full cooperation from the investigating and prosecuting agencies, the case can be pursued quickly and the culprits exposed. This will bring facts to the centre and certainly help changing the public opinion as well as ensure political cooperation (both government and the opposition).
2. Elaborate awareness campaigns about the government policy regarding mining should be carried out so that cooperation of general public can be ensured without the intervention of local musclemen. Their complaints to the SC/ST Commissions should be addressed rather than quashed. Proper and point-wise response to all queries should be provided and made public. Their fears must be assuaged and a negative campaign must be countered. This will bring credibility to the administration in its action against offenders.
3. For self-motivation in such circumstances, adherence to truth and having confidence of the team is important. Perseverance as well as leadership qualities will have important bearing on the outcome of the case. One must know that legally he/she is on a strong footing and such hurdles are expected. To address insecurity arising out of political meddling, one must concentrate on the first two points.

By adopting this course of action, I would uphold my constitutional, legal as well as moral responsibility. Pursuing the course with courage, integrity and conviction will be a win-win situation for all – the local people, the Government and I. It will increase the confidence of people in democracy and the State institutions. Besides, it will also lead to development of my personal competence.

4. UPSC Previous Years Question Papers: Case Studies

1. Suppose one of your close friends, who is also aspiring for civil services, comes to you for discussing some of the issues related to ethical conduct in public service. He raises the following points:
 - (i) In the present times, when unethical environment is quite prevalent, individual attempts to stick to ethical principles may cause a lot of problems in one's career. It may also cause hardship to the family members as well as risk to one's life. Why should we not be pragmatic and follow the path of least resistance, and be happy with doing whatever good we can?
 - (ii) When so many people are adopting wrong means and are grossly harming the system, what difference would it make if only a small minority tries to be ethical? They are going to be rather ineffective and are bound to get frustrated.

(iii) If we become fussy about ethical considerations, will it not hamper the economic progress of our country? After all, in the present age of high competition, we cannot afford to be left behind in the race of development.

(iv) It is understandable that we should not get involved in grossly unethical practices, but giving and accepting small gratifications and doing small favours increases everybody's motivation. It also makes the system more efficient. What is wrong in adopting such practices?

Critically analyze the above viewpoints. On the basis of this analysis, what will be your advice to your friend? 250 words.

2. You are the Executive Director of an upcoming Infotech Company which is making a name for itself in the market. Mr. A, who is a star performer, is heading the marketing team. In a short period of one year, he has helped in doubling the revenues as well as creating a high brand equity for the Company so much so that you are thinking of promoting him. However, you have been receiving information from many corners about his attitude towards the female colleagues; particularly his habit of making loose comments on women. In addition, he regularly sends indecent SMS's to all the team members including his female colleagues. One day, late in the evening, Mrs. X, who is one of Mr. A's team members, comes to you visibly disturbed. She complains against the continued misconduct of Mr. A, who has been making undesirable advances towards her and has even tried to touch her inappropriately in his cabin. She tenders her resignation and leaves your office.

(a) What are the options available to you?

(b) Evaluate each of these options and choose the option you would adopt, giving reasons.

3. Land needed for mining, dams and other large-scale projects is acquired mostly from Adivasis, hill dwellers and rural communities. The displaced persons are paid monetary compensation as per the legal provisions. However, the payment is often tardy. In any case, it cannot sustain the displaced families for long. These people do not possess marketable skills to engage in some other occupation. They end up as low paid migrant labourers. Moreover, their traditional ways of community living are destroyed. Thus, the benefits of development go to industries, industrialists and urban communities whereas the costs are passed on to these poor helpless people. This unjust distribution of costs and benefits is unethical. Suppose you have been entrusted with the task of drafting a better compensationcum-rehabilitation policy for such displaced persons, how would you approach the problem and what would be the main elements of your suggested policy? (2016)

4. Saraswati was a successful IT professional in USA. Moved by the patriotic sense of doing something for the country she returned to India. Together with some other like-minded friends, she formed an NGO to build a school for a poor rural community. The objective of the school was to provide the best quality modern education at a nominal cost. She soon discovered that she has to seek permission from a number of Government agencies. The rules and procedures were quite confusing and cumbersome. What frustrated her most was the delays, callous attitude of officials and constant demand for bribes. Her experience and the experience of many others like her has deterred people from taking up social service projects. A measure of Government control voluntary social work is necessary. But it should not be exercised in a coercive or corrupt manner. What measures can you suggest to ensure that due control is exercised but well meaning, honest NGO efforts are not thwarted? (2016)

5. UPSC Case Study (2015)

Student Notes:

There is a disaster prone state having frequent landslides, forest fires, cloudbursts, flash floods and earthquakes, etc. Some of these are seasonal and often unpredictable. The magnitude of the disaster is always unanticipated. During one of the seasons a cloudburst caused a devastating floods and landslides leading to high casualties. There was major damage to infrastructure like roads, bridges and power generating units. This led to more than 1000000 pilgrims, tourist and other locals trapped across different routes and locations. The people trapped in your area of responsibility includes senior citizens, patients in hospitals, women and children, hiker, tourist, ruling party's regional presidents along with his family, additional chief secretary of the neighboring state and prisoners in jail. As a civil services officer of the state, what would be the order in which you would rescue these people and why? Give Justifications.

Solution:

The case presents a challenging situation and the ethical dilemma with regard to choosing among victims for relief work. In such situation the ethical principle I would adhere to is, "degree of vulnerability and equal respect of all lives". The groups identified in the given case are themselves diverse, and therefore no action can be taken treating the entirety of group as one. Vulnerability can be assessed on case by case basis. Therefore, for example, the needy and fragile senior citizens will be given preference over better capable women and children. Accordingly, a general order of people needed to be rescued will be:

1. **Patients in hospitals:** Since they were already under medical supervision hence they need rescuers first attention in order to save their lives and continue their medical treatment.
2. **Women and children (including tourist, family members of regional presidents and prisoners):** They are the second most vulnerable group who need to be rescued. The women primarily have to take care of children in condition of distress and medical attention after rescue.
3. **Senior citizens (including tourist, family members of regional presidents and prisoners):** They need to be rescued next as they cannot tolerate long waiting period without compromising with their health.
4. **Tourist:** They need to be rescued next as their family members must be worried about them and they have to go back to home.
5. **Prisoners in jail:** They are doubly imprisoned in this situation; first by prison and second as victim of nature. If they are left, there are bleak chances that they might be saved being dependent on administration for daily survival.
6. **Additional CS:** It is a post of high responsibility. Further, since the CS is from the neighboring state, it is probable that many from his state are amongst those who are stranded. His availability to the administration may be vital. On the other hand, it is expected of him to behave in an exemplary manner and put service before self. In his case, even though there may be a conflict of interest, I will consider his own opinion.
7. **Regional presidents of ruling party:** Regional presidents will also be rescued according to their vulnerability and capability. As a group, they are public servants who have the responsibility to ensure the public safety of common men first.
8. **Hikers:** They are generally well stocked for challenging environment, apart from being more capable to face adversities. Moreover, their strengths can be utilized in relief and rescue operations. They should be the last.

----X---X---X----

**Explainer on three modes of Decision making as mentioned in WDR (P.S. This is only additional information, not so much relevant from solely examination perspective)

Automatic thinking: It causes us to simplify problems and see them through narrow frames. We fill in missing information based on our assumptions about the world and evaluate situations based on associations that automatically come to mind and belief systems that we take for granted. Civil servants must have capacity for observation for quick and correct appreciation of facts and understanding of situations. One must also exercise caution as in so doing, we may form a mistaken picture of a situation. As a driver of car, one may need to make quick decisions, but as a civil servant making policy for the country, one cannot rely solely on intuition and untested assumptions.

Thinking Socially: Individuals are social animals who are influenced by social preferences, social networks, social identities, and social norms: most people care about what those around them are doing and how they fit into their groups, and they imitate the behavior of others almost automatically. Many people have social preferences for fairness and reciprocity and possess a cooperative spirit. These traits can play into both good and bad collective outcomes- increasing trust in a society also requires cooperation and an increased corruption also requires cooperation. An official must be able to prioritise in the face of adversity, which requires appreciation of diversity and an empathetic attitude.

The tendency of people to be concerned with and associate with each other adds realism to the analysis of human decision making and behavior. In a case study presented for analysis, this aspect is exploited many times – someone does you a favour – are you expected to pay him/her back by not reporting their misdeeds? People often behave as conditional cooperators—that is, individuals who prefer to cooperate as long as others are cooperating. As a civil servant, getting cooperation from a person or a group may be required, but a quid-pro-quo cannot be the principle of that cooperation.

Similarly, social preferences and social influences can lead societies into self-reinforcing collective patterns of behavior. These patterns can be desirable as well as undesirable. When they reinforce trust and shared values, social cooperation is helpful. On the other hand, racial or ethnic segregation can also result from such self-reinforcing social behavior. Hence, there is a need of a set of ‘official doctrines’ of preferences, usually laid down in executive manuals, to avoid situations which undermine public trust. For example, Civil service Conduct Rules, 1964, Flood relief manuals in states.

Thinking with Mental Models

When people think, they generally do not draw on concepts that they have invented themselves. Instead, they use concepts, categories, identities, prototypes, stereotypes, causal narratives, and worldviews drawn from their communities – i.e. they use mental models drawn from their societies and shared histories to interpret their experiences. Mental models affect what individuals perceive and how they interpret what they perceive.

Mental models come from culture. Culture serves as a set of interrelated schemes of meaning that people use when they act and make choices. Mental models and social beliefs and practices often become deeply rooted in individuals. We tend to internalize aspects of society, taking them for granted as inevitable “social facts” – think for example the notion of ‘higher’ and ‘lower’ castes. People’s mental models shape their understanding of what is right, what is natural, and what is possible in life. Social relations and structures, in turn, are the basis of socially constructed “common sense,” which represents the evidence, ideologies, and aspirations that individuals take for granted and use to make decisions.

Because mental models are somewhat malleable, interventions can target them to promote developmental and ethical objectives. Individuals have many different and competing mental models that they can bring to bear on any situation; which one they use depends on which one the context activates. Exposing individuals to new ways of thinking and alternative understandings of the world can expand the available set of mental models and thus play an important role in development.

In most cases, as has been mentioned earlier, is the question of applying extant policies and rules to a given situation. A proactive mindset is essential to deal with such a situation, armed with capacity of appreciation of facts and laws and an ability to foresee the consequences, both positive and negative. The rules and policies are founded on societal values. Ethical issues arise when expediency and shortcuts are preferred over reasoned judgement, which reflects selfishness, a conflict of interest, a question of character and not merely a conflict of values, rather a weak character unable to distinguish between what is fair and just and what is not.

6. Previous Years Vision IAS Test Series: Case Studies

1. *You are posted as a District Education Officer (DEO) in a Maoist affected district. You have been specifically given the responsibility to work on the literacy mission. After reading the education reports and doing field visits, you find that the number of out of school children has increased drastically and the motivation among students and teachers is also low. While certain basic infrastructure is already in place, the major hurdle in attracting students to these schools include the attitude of inhabitants towards education and the security risks involved in sending children to schools. Given the situation, answer the following questions:*
 - (a) Analyse the reasons behind such an attitude.*
 - (b) As a DEO, what are the steps that you would take in order to increase the school attendance and change the prevalent attitude of inhabitants towards education?*

Approach:

- Brief case analysis in the introduction including stakeholders as well as issues faced in education.
- Analyse the reasons for such an attitude.
- Discuss the steps that should be taken by the DEO.

Answer:

The given case presents a dilemma of development in violence affected areas. For example – education in such areas are not just dependent on the availability of whole infrastructure and affordability and distance of school from home. Ensuring safety is equally important. Further, this is a case where the output, in form of infrastructure is already there, but the outcome in form of education is missing.

(a) Factors which shape the attitude which has led to reluctance in attending schools are:

- Legitimacy of state is still debatable among many sections of society in such areas. Even when it is there, the violent elements use fear to instill negative attitude towards state and its organs.
- Lack of trust in the state in general and education system in particular.
- Further, curriculum is not rooted in their culture and thus they don't identify with modern education.
- Livelihood is majorly dependent on forests which they feel do not require modern education given in schools.
- They only have unskilled employment opportunities in nearby areas. Thus, they see no point in wasting resources on education.
- Lack of higher education opportunities as the number of colleges are not adequate.
- Fear for safety of their children as well as harassment.
- Poor school infrastructure, absence of book and stationary and number and quality of teachers do not attract students to school.

However, few people have optimistic attitude towards education as well. They see it as a way out and an integrating force with mainstream. Thus given certain opportunities

they are ready to send their children to school, as seen in the case of Dantewada where literacy indicators showed significant improvements.

Student Notes:

(b) Steps that would be taken to increase the school attendance and changing the prevalent attitude of inhabitants towards education:

- **Involving influential people** of the society and **roping in NGOs**, which can help bridge the trust divide between state and people.
- **Redeveloping of destroyed educational institutions** and provide full infrastructural support required by students.
- **Securing the school premises:** By requesting the government to station troops around the school to inspire confidence in public about safety.
- **Residential schools:** their establishment takes care of day-to-day needs as well, which helps a student focus completely on learning.
- **Building ecosystem:** such that students passing out of the schools have better livelihood opportunities or have accessible options to go to different colleges.
- **Scholarship:** to ensure bright students are not left behind for the want of money for enrollment in schools and college.
- **Targeting students:** Out of school students, orphans, internally displaced etc. should be targeted with different approach as they don't constitute a homogenous group. Use of Midday Meal schemes, free distribution of stationary to attract children to schools.
- **Continuous monitoring:** using monitoring cells in local administration and ensure reporting to the higher authorities to maintain accountability
- **Teacher training:** they should not only be qualified but also be sensitive towards the situations faced by the children.
- **Awareness generation:** through cultural and community engagements, using posters and pamphlets, community radio etc.

These measures when dovetailed with good governance and efficient utilization of funds will ensure attitudinal and behavioral shift towards education.

2. *Regulation and procedure of human clinical trials vary from nation to nation. Stem cell research, as an emerging biomedical field, requires approval for human trials and encounters multiple challenges. You are the head of a team of scientists who developed a new Tissue Engineering system, which appears to be a promising means of regenerating heart tissue. Trials of the system have already been conducted on animals and yielded good results. Millions of people suffering from critical heart diseases would benefit immensely if this medication is immediately made available to them. However, you need to conduct human clinical trials before it could be commercialised. It is also known that the stringent regulatory environment in the country will mean that human trials and final approval will take many years before it is made commercially available. On the other hand, regulation of clinical trials in many poor countries is weak and quick approval is possible. Many of your competitors also resort to human trials in these countries, often bribing the officials for getting quick approvals. Given this situation, answer the following questions:*
- (a) *Identify the ethical issues which arise during clinical trials.*
- (b) *Given the above situation, would you prefer to shift human trials to a third country where regulations are lax? Give reasons in support of your choice.*
- (c) *Suggest a framework of standard procedure to minimise ethical conflicts and speed-up the approval process of new medicines.*

- Give a brief introduction about human clinical trials and identify the ethical issues in clinical trials.
- Discuss the merits and demerits of shifting lab location and state your final stand on shifting the lab from the home country.
- Give a framework of standard procedure to minimise ethical conflicts and speed-up the approval process of new medicines.

Answer:

Case Summary: I am the head of a team, which developed a new system which will help people suffering from heart diseases. Before being made available commercially, it has to undergo clinical trials on humans, for which strict regulations have to be adhered. Alternatively, weak regulation in poor countries will result in quick human trials and approval there and many competitors are doing the same including use of bribes.

(a) Clinical trials are the tests on human volunteers to see whether new medical treatments should be approved for wider use in the general population. Various ethical issues associated are:

- **Moral duty** to perform honest clinical trials for welfare of a large population.
- Humanity is an end in itself (Gandhiji). Using people from the bottom strata of society for undertaking considerable risks in lieu of minor payments degrades humanity. The end result may improve general population's health, but the costs in form of exploitation, which may even cause death is wrong.
- Ethical concerns regarding **informed consent** in poor countries.
- Medicine is governed by certain ethos, which includes that first consideration of physician should be health and life of patient. She should not do anything, which impairs patient's health. Clinical trials may weaken the normative foundations of doctor-patient relationship in the long run.

(b) In the current case, the scientists have developed a new technology to regenerate heart tissues, which will provide new lives to millions of people who are suffering from critical heart disease. However, fewer regulations and corrupt governance in poor and developing countries pull scientists to open their labs and conduct trials in these countries. The merits and demerits of such practice are as follows:

Merits

- The costs are lower in poor countries. So, the developed medical treatment would be cheaper. For example, clinical trials in India could cost one-tenth of that in US.
- Availability of "**treatment-naive**" patients i.e. drug-free bodies in third world countries. They are much less likely to have been previously exposed to drugs or trials.
- The developing countries get benefits of advanced medical science and access to the latest medications.
- The process of clinical trials is quicker in developing countries because getting regulatory approvals is easier. It shortens the development time of medical treatments.
- It would make this cure quickly available to people suffering from critical heart diseases.

- **Consent:** Most of the time, people in poor countries give their consent without understanding the contracts as they are written in foreign languages, without understanding the risks.
- **Economic Compulsion:** Sometimes poverty is responsible for the poor selling their body for clinical trials. The blind faith for western medicine also plays a role in their decision-making.
- **Poor healthcare system:** The risks are too high in clinical trials. However, poor healthcare system in the third world increases their vulnerability in cases of complications and side effects arising out of experiments on their bodies.
- The reliability of data obtained in third world countries is also questionable because of lax monitoring.
- Fewer regulatory safeguards, high levels of poverty and illiteracy encourage misconducts and substandard approach by foreign drugs companies.
- Bypassing professional ethics and an established procedure raises doubts on integrity. Competition may tempt to opt for unfair means like bribes to get approval.

As can be seen, there are a number of advantages of shifting the trials to countries where costs are cheaper and regulations less stringent. However, laxity in procedures should not be the motive for shifting trials. It would save lives of millions of people and improve accessibility of cure through cheaper cost. So, it is prudent to shift laboratory to country with easier regulations.

However, I will use the same safeguards and precautions which are used in developed countries, encompassing every aspect from informed consent, side-effects' treatment, compensation in cases of errors, etc. I would make sure that no illegal practice is done and ensure strict action for any breach.

Thus, I would be able to ensure greater benefits to people at large without compromising with the safety and well-being of people who have put trust in me.

(c) Framework of standard procedure

- **Social Value:** Study should help researchers determine how to improve people's health or well-being.
- **Scientific Validity:** Research should be expected to produce useful results and increase knowledge. Researchers should design their experiments to be as good as possible.
- **Fair Subject selection:** Researchers should be fair in both recruiting and deciding which people can be in the study.
- **Favourable risk benefit ratio:** For research to be ethical, any risks must be balanced by the benefits to subjects, and/or the important new knowledge society will gain.
- **Independent review:** Researchers sometimes overlook ways they could improve their research results. To avoid such problems, a group of people who are not connected to the research are required to give it an independent review.
- **Informed Consent:** Subjects must be told about the details of the study. They should voluntarily agree to participate and give informed consent.
- **Respect for subjects:** Regular health monitoring along with maintaining confidentiality of information would impart trust.
- **Data Sharing:** Data from past researches should be made available to others. It would exclude the need for new trials for similar drugs thus speeding the process of drug approval. This clause must be ensured in WTO negotiations on data exclusivity.

3. *Ramesh, a very hardworking person, is the sole bread earner in his family. He has worked with an oil company's local affiliate for several years, and has established a strong, trustworthy relationship with Suresh, manager of the local facility. Suresh has recently recommended Ramesh to be recruited as the corporate consulting engineer for the company, which would be a position of greater responsibility along with a stable income. During a casual conversation, Suresh mentions an incident in the 1960s wherein 10,000 gallons of a petrochemical was leaked into the local environment by the company due to negligence, though at the time no damage was found, and no mention of this leak was made to the press. When Ramesh mentions that the state law requires him to report all spills, Suresh reminds him that no harm had been done and reminds him that the company can't have a consulting engineer who does not value loyalty and respect confidentiality.*

Student Notes:

(a) Identify the ethical issues involved in the given case.

(b) What are the options available to Ramesh in this situation? Evaluate each of them.

(c) Had you been at Ramesh's place, what would have been your course of action? Give reasons for the same.

Approach:

- Analyse the case and identify the key ethical issues involved.
- List the options available to Ramesh in a given situation and bring out the positives and negatives of each available option.
- Give the course of action and give arguments to justify your course of action.

Answer:

Involved Stake holders

- Ramesh, Suresh, the oil company, the government and the general public.

(a) Ethical Issue involved

1. Self-interest vs public interest

Provided that Ramesh is the only earning person in his family and his source of income is not stable; he is not in position to lose his job. But, if he considers his job, he is showing apathy towards public interest which lies in reporting the incident.

2. Moral values vs organisational ethics

Ramesh will be having the conflict between his belief in personal values and the organisational ethics. Even if, he follows any one of them he will be doing injustice with the other.

3. Negligence to state laws vs responsible citizen

Being a responsible citizen of the country, it is his duty to show respect for the public laws by reporting the issue. But, to save his job he will neglect the state laws.

(b) Options Available

1. Remain silent on the issue

Merits

- Since it happened long back and nobody was affected, it may be argued that raising the issue now would be pointless.
- Following the advice of Suresh would mean that Ramesh's relationship with him, both personal & professional, would not be affected.
- It may also pave the way for further promotions.

Demerits

- Such inaction shows lack of respect for state laws which require reporting all such incidents.
- Also such action may pave the way for future where such leaks are not reported.

2. Convince Suresh to report to the Government**Merits**

- Reporting such incidents shows respect for state laws.
- Ramesh's personal relationship with Suresh will remain unaffected.
- It would lead to detailed investigation for assessing the impact of the leakage.

Demerits

- It may jeopardize the professional career of both Ramesh and Suresh.

3. Talk to his senior or director**Merits**

- It will also give a chance to senior or director to take suitable actions to correct the earlier wrong happenings.
- It shows that Ramesh is trying to exhaust all available avenues where he can justify his own values and responsibilities as a citizen.

Demerits

- He may face resistance in the company against him as the company has not reported this incident till now.

4. To become whistle blower and reveal the incident**Merits**

- He will ensure his actions towards abiding by the state laws as responsible citizen.
- He will be able to save environment and risks to people's lives, if there were any adverse effects later.

Demerits

- He may lose his job and destroy his relationship with Suresh permanently.

(c) Best Course of Action

Considering the gravity of the situation, I would have tried to convince the seniors for reporting the incident to the government which then can assess the damages done to the environment and public. This would also mean that wrongdoers would be punished for their actions. This will also set an example for others to work following the rule of law. However, it may mean that I might lose my job. At the same time, it must be noted that in such cases public interest is more important which cannot be compromised at any cost.

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Heartiest Congratulations to all successful candidates

10 IN TOP 10 SELECTIONS IN CSE 2020

FROM VARIOUS PROGRAMS OF VISION IAS



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JAGRATI AWASTHI

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AIR

ANKITA JAIN

4
AIR

YASH JALUKA

5
AIR

MAMTA YADAV

6
AIR

MEERA K

7
AIR

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