

NOTE

Of Reward and Corruption

Bharat Jhunjhunwala writes :

The sixth central pay commission has recommended implementation of a Performance Related Incentive Scheme [PRIS] to reward good employees and improve the quality of government work. Government departments will be allowed to retain one-half of the savings made by them as bonus to their employees. Say the Public Works Department is spending Rs one crore a year for the maintenance of a particular road. It manages to do the same work in Rs 50 lacs. One-half of the savings of Rs 50 lacs will be distributed among the employees as performance-related incentive. This scheme is full of pitfalls because it is difficult to estimate the savings that are made. It is possible for the officers of the PWD to put less tar coal on the road, 'save' Rs 50 lacs and distribute Rs 25 lacs among them as incentive! Previously the officers sold the tar in black and faced the danger of being apprehended. Now they can appropriate the same amount legally!

Further, the scheme has been made optional. Para 2.5.11 of the Sixth Pay Commission Report states: "Voluntary adoption of PRIS at the Departmental level and below...will allow flexibility and directness of rewards linked to the changes in the work processes..." This implies that inefficient departments that need performance audit most can opt out of the scheme. Government employees are doubly benefited in this dispensation. They can opt into PRIS if they anticipate savings due to some reason; and they can opt out if they have more to gain from corruption.

The final impact of flexibility and delegation depends upon personal objective of the concerned officers. The police will use flexibility to increase their weekly extortions if their objective is personal gain. This was the message of the famous play *Ghasiram Kotwal*. The cruel Kotwal was honest and efficient. In the result he chopped off the hands of an innocent person whom he suspected to be involved in a theft. One contractor told this writer that his truck was seized by the police authorities for illegal lifting of sand from the river bed. He paid a bribe of Rs 8,000 and had his truck released. He stopped lifting sand thereafter. The SHO of the Police Station then sent repeated messages to him requesting him to start lifting sand-after making payment to the SHO. Flexibility to such SHOs will only lead to more corruption and tyranny. These officers will be able to legally claim 'savings' in addition to the bribes. The Pay Commission has opened a window to legalize corruption. Officers can now manipulate works and appropriate the 'savings' legally!

The Commission has actually de-linked salaries of government employees with performance though it is pretended otherwise. Para 1.2.23 says: "The Administrative Reforms Commission is presently functional... Thereafter, the Government had also constituted the Expenditure Reforms Commission. While the issue of increasing productivity, efficiency and a result oriented approach... has been addressed in the Report, the Commission has refrained from making comprehensive recommendations on the issue of organizational reforms." There are two components to this argument: How to bring in administrative reforms;

and how to link salaries of government servants with performance. The Pay Commission was justified in not dwelling into the former task of making a roadmap of administrative reforms as that was the mandate of another Commission. But the Pay Commission had the solemn responsibility to work out ways to link the existing salary of government employees with their performance. The Commission says this has been done through PRIS. But this is only one-half of the story. The absence of punishment for underperformance implies that the Pay Commission condones the same. In the result, the Administrative Reforms Commission will not dwell into this issue because it is outside its scope; and Pay Commission will not dwell into this issue because Administrative Reforms Commission is looking into it! □□□