



## Private Sector and Babus - Contributors in India's Economic Development

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On February 10, during the parliament session, Prime Minister Narendra Modi's remark on the relevance of private sector in India's development has triggered a debate around its role and conduct. He emphasised its vital role in wealth creation, a pre-condition for the redistribution measures undertaken by any nation-state. Simultaneously, he also voiced his opinion for limiting the role of bureaucracy in India's development as per its strengths and capabilities. He asserted "*Sab kuch babu hi karenge?*" This Occasional News Wrap contains views on the role of private sector and bureaucracy in India's development while highlighting the points of divergence and convergence between the two.

Article/Op-ed	Key Takeaway
<p><b>My Response To PM's Comments On Babus And IAS</b> By Yashwant Sinha NDTV March 10, 2021</p>	<p>I am firmly of the view that despite its many achievements, the IAS is, like other institutions, in need of reform. But reform should not be a one-time affair. <a href="#">It must be continuous</a>, as new challenges emerge every day. It must begin from the IAS examination itself and cover the training programmes both in the Academy and in the field. The career management of an officer also plays a very important role in his advancement. There are good postings and not-so-good postings. Every officer must have an equal share of both. This is not the case at present and this is where political and other kinds of patronage play a role. This practice continues to play havoc with the morale of the service. Is the Department of Personnel looking at all these aspects?</p>

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<p><b>'Lateral entry' into bureaucracy: reason, process and the controversy</b> The Indian Express March 04, 2021</p>	<p>After Finance Minister Nirmala Sitharaman tweeted a link to the government's notification on February 5, saying "Lateral Recruitment for Joint Secretary Level and Director Level Posts on Contract Basis. Interested candidates can apply from the 6th of February 2021 to 22nd March 2021," Bihar Leader of Opposition Tejashwi Yadav shot back: "You should explain whether UPSC selection procedure is failing to ensure 'willing, motivated &amp; talented' candidates for 'nation building', or <a href="#">hand-picked</a> ones are more so? Isn't it another ploy to sideline &amp; reduce reservations for deprived sections?" Former UP Chief Minister Akhilesh Yadav tweeted, "BJP is opening back doors to bring its own people openly. Who cares about those candidates who are preparing for years?"</p>
<p><b>Reform IAS, but Don't Throw the Baby Out With the Bathwater</b> By B.K. Chaturvedi The Wire March 01, 2021</p>	<p>India's economic growth also requires a <a href="#">strong focus</a> on science and technology. This has led to the posting of eminent scientists as secretaries of the department of science and technology, biotechnology; and chairmen of the earth sciences department. It has led to the development of the Council of Scientific and Industrial Research (CSIR), Defence Research and Development Organisation (DRDO), Indian Council of Agricultural Research (ICAR) and other institutions headed by eminent experts. It has resulted in the space commission and atomic energy commission led by experts as secretaries. The broad approach has been to use IAS officers only in areas of management, where their expertise would add value. While it cannot be denied that at times certain selections have raised eyebrows.</p>
<p><b>Ensure fair and democratic capitalism</b> By Prabhu Chawla The New Indian Express February 28, 2021</p>	<p>However, excessive faith in private enterprise is a double-edged sword. The PM must have convinced himself that should the de-nationalised sector betray his trust, it would pay a heavy price. <a href="#">Unrestricted and unregulated capitalism</a> has never brought equitable distribution of wealth created by capitalist czars. In India, the gap between the rich and the poor has widened since 1991. Private management of public services and trade sounds quite titillating. But in a country where a little less than one third of the population lives below the poverty line, the denial of affordable health services, housing, public transport and more aggrandisement by corporates fuel public outrage.</p>

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<p><b>Narendra Modi’s talk of privatisation implies big reforms</b>  <i>By Sunil Jain</i>  Financial Express  February 26, 2021</p>	<p>An <a href="#">important point</a> that needs highlighting, of course, is the issue of dealing with PSUs till the time they are privatized; after all, in even the Atal Bihari Vajpayee government, the numbers of cases of privatisation were limited. Even when PSU managers, the prime minister said, were competent, their hands were often tied since any decision they took could be reviewed later and they could be accused of corruption later. While that is certainly true, the issue the prime minister needs to address is that of how PSU managers can be freed since, it is clear, it will take several years – if not decades – before he can sell all the non-strategic PSUs.</p>
<p><b>PM Modi’s acknowledgement of role of private sector, in Parliament, is welcome</b>  <i>By Sanjeev Bikhchandani</i>  The Indian Express  February 24, 2021</p>	<p>India’s successes in many fields in the last three decades are linked to the private sector. If you look at the industries that have created growth, jobs, buzz and hope in the last three decades, the <a href="#">vast majority</a> have been driven by private enterprise — airlines, banks, telecom, insurance, IT services, IT-enabled services, internet companies and others. Given the history of the private sector being regarded with ambivalence and mistrust, when in his recent speech in Parliament the Prime Minister openly acknowledged the contribution and role of the private sector as an important engine of growth and employment in India, I was pleasantly surprised or — dare I say — even astounded.</p>
<p><b>Babudom: Control, or facilitate!</b>  <i>By Vivek Katju</i>  Greater Kashmir  February 20, 2021</p>	<p>With primacy going to the private sector in all areas of economic and commercial life there is a need of strengthening the <a href="#">regulatory mechanism</a> to ensure the adherence to state laws and policies. This will not be an easy task on account of swiftly changing technologies in the digital age. Regulation will be needed not to control business or make the state more intrusive but to ensure that rules are being observed. This is certainly not an advocacy for a return of the inspector raj but regulators will have to be there especially as big businesses will control significant extent of national GDPs. Global experience also demonstrates that the concept of self-regulation of business is a myth.</p>
<p><b>Anil Swarup Hits Back at Modi’s ‘IAS Babus’ Remarks on Twitter</b>  The Quint  February 18, 2021</p>	<p>In response to Prime Minister Modi’s remarks on the bureaucracy having the monopoly on top positions, Anil Swarup, author and retired IAS officer, took to Twitter to <a href="#">underline</a> that many of these appointments have been made by the BJP government. “I wonder whether his advisors brought the correct facts to his notice,” Swarup wrote. He further noted the absence of a “truly independent institution” to select "experts" in these positions, saying that such an institution would prevent jostling.</p>

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<p><b>Fresh push for lateral entry of babus likely</b>  <i>By Dilip Cherian</i>  The Asian Age  February 17, 2021</p>	<p>Prime Minister Modi has introduced the mechanism of recruiting fresh talent in the bureaucracy from the private sector during his first tenure. But the first round hasn't been the success that the government was expecting. It could recruit only nine of the 10 <a href="#">domain experts</a> it had selected, and one of them, Arun Goyal, who had joined the commerce ministry as joint secretary, put in his papers barely a year later. It appears that far from changing the system, the lateral entrants are more likely to be subsumed by it. Further, a year after their appointment, the Central Administrative Tribunal (CAT) had issued a notice to the UPSC after a petition from whistleblower Indian Forest Service (IFoS) officer Sanjiv Chaturvedi alleged irregularities in the recruitment of three of the nine lateral entrants by the government.</p>
<p><b>'Babu Minds' Need to be Rewired; Sacking IAS 'Won't Do Nothing'</b>  <i>By Raghav Bahl</i>  The Quint  February 17, 2021</p>	<p>I suspect that Prime Minister Modi's noble intention to 'rid public sector companies of IAS managers' could be a poor half-reform, destined to fail. The <a href="#">real problem</a> is not that a handful of <i>babus</i> run a clutch of commercial enterprises. Why? Because their cradle-to-grave security ring-fences them from volatile success and failure. Their monetary rewards are completely unhinged from merit or achievement. Whether you are a fast-tracker or a laggard, you move in the same slow lane. This stalemate often creates an aversion to taking risks; it nurtures a deep suspicion about free markets. Hence the urge to micro-manage and 'create provisos'.</p>
<p><b>Is there a reason for the IAS to worry?</b>  <i>By Siraj Hussain and Aditi Mehta</i>  Money Control  February 15, 2021</p>	<p>The IAS really does not have much reason to be disappointed by the remarks of the Prime Minister. Due to the breadth and depth of experience in the states and their long association with politicians, the IAS will <a href="#">continue to enjoy</a> preferences in discretionary appointments. Any area requiring co-ordination with the states is said to be better served by an IAS officer due to deep contacts within the bureaucracy in the state governments.</p>
<p><b>Why Every Indian Must Wholeheartedly Support PM Modi's Defence of Private Sector</b>  <i>By Pathikrit Payne</i>  NEWS18  February 15, 2021</p>	<p>For India to grow, it must acknowledge the contribution of its private sector, and junk the Jurassic era's deranged ideas of India's political socialists who, for their own political agenda, wrongly project India's Industrialists and entrepreneurs as 'Class Enemies' of people. Political socialists in India, who preach socialism for petty political gains, have some unique idiosyncrasies. Even though one would often find them lecturing about <a href="#">wealth distribution</a> among the mass, yet they would, with impunity, always criticise, abhor and have utter disdain for wealth creators. They never spare an opportunity to denigrate or destroy wealth-creating institutions or organisations.</p>

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<p><b>Not a private affair</b> The Tribune February 13, 2021</p>	<p>It is rare for a Prime Minister to use the term ‘babu’ for a bureaucrat. But while accepting his contention that babus do not have a monopoly over <a href="#">commercial wisdom</a>, it has to be underscored that the fear of privatisation or a corporate takeover has nothing to do with the efficiency of the babus. Our top bureaucrats, like all other achievers in our society, are a mixed bag of the good, bad and ugly — in fact, if only a tad more accountable than the rest. They do not necessarily make or mar, at least, the financial system, which has been inherited from an extremely avaricious private sector.</p>
<p><b>IAS officers are not lazy ‘babus’. Time to reject the colonial slang</b> <i>By Jyoti Yadav</i> The Print February 13, 2021</p>	<p>Everyone knows that by clearing one exam, a person doesn’t become a ‘babu’. It’s the system that treats them as such. The ‘Mai-Baap’ attitude passes on to them and the public starts treating them as ‘Watan Ke Rakhwaale’. With so much pressure and responsibility, they go from being an earnest professional to a forced ‘babu’. Time to give up that <a href="#">term and culture</a>.</p>
<p><b>Narendra Modi is Right, IAS Cannot Deal with Everything. But That’s Only Half the Problem</b> <i>By Abhijit Iyer-Mitra</i> NEWS18 February 12, 2021</p>	<p>The problem isn’t simply an obsolete bureaucrat training system, but also <a href="#">the fact</a> that we have far too few bureaucrats. Much of this is the bureaucrats’ own doing because everyone wants to end up as an ambassador or reach the joint secretary level. For example, India’s foreign service is roughly the same size as Singapore’s and in important arenas like the International Atomic Energy Agency (IAEA) and the United Nations, Indian diplomats end up skipping over 90 per cent of all scheduled discussions and meetings.</p>