

Improving State Capacity Human Resources (in City Governments)

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The Staffing conundrum in our city governments

- Indian cities are twice dead, (the demise of the 74th CAA and rise of the parastatals), and so farthest from the “twice-born” of the king-whisperers!
- Economic Surveys establish a strong correlation between municipal staffing and service delivery outcomes. Better staffing linked to higher public expenditure and therefore better citizen outcomes
- The core staff per capita in some of India's largest ULGs is up to six times lower than in some of the world's best-performing cities
- **Average vacancy of 37% across all sizes of ULGs in 15 states**, against sanctioned posts, going upto 44% in the smaller ‘Town Panchayats’
- Posts were sanctioned decades ago, basis only fixed census population of the ULG, not complexity of services. Of posts, several are not activated, for procedural complications
- ULG Staff Assessments are rarely conducted. The system works with the status quo to avoid effort.

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- Flipside: In states studied, average, 90% of staff in ULGs belonged to Groups C and D.
- In a state-wide revenue staffing study, tax collectors, (lowest position), were double the sanctioned posts (987 vs 521), while NONE of the 198 sanctioned posts for inspectors, supervisors, and officers were filled.
- Outsourced staff in 3 States found to be as high as 33% (45% for Group D) of total staff
- Municipal C&R rules of states studied carry NO provision of job descriptions and competencies or details on roles and responsibilities for each position. ("Office work", "Give directions")
- Entry barriers are kept low and further mixed by exemptions, reservations, etc. Typical requirements are SSLC (10th grade), HSC (12th grade) or B.Sc. (in a variety of disciplines) with changeable jobs
- Promotions are "due" by seniority, and 'face-based' performance evaluation. A 12th-pass qualification is sufficient to enter the revenue cadre; officials can then rise to Revenue Officer positions based purely on seniority.
- Training for officials is routine: "on-the-job" or "ad-hoc cohorts" (person assigned as per the 'status' of course/location) or as is the current fashion "yoga" or karmayogi credits through PMC

The Staffing conundrum in our city governments

No Powers, no funds:

- Cities in India have virtually no powers over their staff (appointments, transfers, promotions, disciplinary proceedings).
- Staff costs (establishment, admin) are about 42% of their overall expenses. Own revenues are only 40% of own expenses
- Cities barely meet 50% of their revenue expenditure. Half the cities don't generate enough revenue to meet their salaries.
- Cast in stone recruitment rules and processes that are politically sensitive and, in many states severely unionized

How do they deal with it:

- Staff costs are largely met only through SFC grants (need to pay, no other options, tied/restricted).
- Critical staff is taken on contractual positions by State level agencies, deputed to cities, designed to evade recruitment
- Added resources through Union & State scheme budgets or (for some cities) bi-lateral and multi-lateral funded projects, that allow skeletal PMUs or nodal staff, or deputed from other depts, para-statals or nodal agencies, all cross utilized
- Vast pool of resources with parastatals (boards, corporations, SPVs, authorities, and even societies) and even CSOs and market, that the recruitment rules prevent from accessing

Result:

- Vacancy + Redundancy, Low motivation & morale, lack of direction, sub-optimal decisions, performance

Contours of the solution

Union Government	State Government	City Government
Nuanced Model Municipal Law sections and clauses on HR needs	Dynamic staffing assessment model for own state basis specific context of functions and services	SOPs for routine tasks, and checklists for monitoring performance
Studies on Cadre & Recruitment review processes and sharing best practices	"Make / Buy" decision matrix based on criticality, frequency, skill-level	Time-motion studies for better management of existing staff
Templates for CRR revisions	Create space: Plan for HR re-organization, re-skilling, special vehicles, transfer	Process/workflow studies and tweaks for redundant processes and clearances
Promoting sharing of resources with clear operational guidelines	Create funds: Fiscal sustainability and efficiency measures and then to petition CM/Finance for vital staff - critical QoL services and productivity affecting business	Checklists and Registers for routine file clearances and procurement
Domain training material including Global and National case-studies tailored to specific sizes, situations, needs	Activate positions in municipal cadres and create rules for their appointment with accurate job-descriptions	Preparation for a more layered organization, incl. ward-wise and dept. wise responsibilities
	Move from cohort-based training to goals and task-oriented continual training	Re-skilling and up-skilling of existing staff
	Bring broader Org. Dev. departmental reforms from goals to performance, and promotion rules & opportunities	

Contours of the solution

- May need to work on all the different levels (Union, State and City) at the same time
- Will need to work within various parts of the Government, meeting every part's concerns
- Will need to overcome the fear of accountability and performance, with the benefits of impact
- Will need to think around inertia and the status quo-ist tendencies. Broken systems = Gravy train.
- Will need to work with partners but cannot force the pace with Govt. enough to plan the collaboration

Looking back at some of my past experiences with Policy

The 'policy'	What did we do?	What happened to it	Lessons
Built Heritage Conservation Policy, Gujarat circa 2010	- Expert & Stakeholder consultations, - Drafting all clauses incl. incentives,	- CM approval, Wider public consultations - Political reps got wind of it, smelt threat to real estate and doubt of benefiting only a few - Polite burial	- Technical strength is not enough - Must secure the political representatives' buy-in. - Involvement early-on, or maneuvering from a point of strength
Construction Permits under EoDB reforms, India, 2017	- PM driven reforms - Digital rule engine, back-end hierarchies & flows - Biggest cities of Mumbai, Delhi, Kolkata, Bengaluru	- The analog system not shut down and allowing for more 'grease' of doing business - Need for considerable training and even hardware - Death with EoDB itself	- Must be institutionalized in local systems - Cannot only be top-driven - Land, permits and real-estate stronger force than estimated
ClimateSmart Cities Assessment Framework under the Smart Cities Mission, 2020	- Multi sector expert organization involvement 60+ Indicators in 5 key climate action sectors - Levels in each with reqd. evidences, map progress	- Run for 3-4 years in 100+ cities with improvements - Ranking instead of marking - Initiative will die with the (Smart City) Mission where it was anchored	- Technical strength is not enough - Citizen or their councillors not involved, only the SPV - No HR, training or budget linked

What concerns me now ... and we need to think on

How 'upstream' is still really the river?

- Crossing it there may not be the same as further on ... the stones are different (apologies to Deng Xiaoping)
- More downstream partners, (less easy peer concurrence), agility and iterative feedback loops

The map is not the territory - Alfred Korzybski

- We spend too much time mapping State Capacities, we need to wade in to understand the territory
- Human resource constraints in our cities concern real people (Govt. jobs, livelihoods) not just numbers
- Any efforts needs to be institutionalized in law, budgets, not just champions, schemes. Easier said ...

We need to work on immediate AND on the fundamentals

- Immediate: Outcome-focus, Quicker-fix part of whole, Execution-Handholding,
- Fundamentals: The systems that underlie. And the political and people aspects that hold them.
- Not everything needs a change in Law. It helps like none other, but is a tough route

Angels rush in where fools fear to tread

[Thinkers] have only interpreted the [city], the point however is to change it...

- With due apologies to Herr Marx, No. 11, Theses on Feuerbach, MESW

*There was a young lad from CEPT
Who to many policy palaces crept
For country, not king
Did paeans he sing
As for the cities, they wept!*

Thank you

Anand Iyer

- Medium and Small cities have about 33% of their revenue from own sources, and 50%+ from Grants, Contributions and Subsidies. OSR is increasing in absolute terms but decreasing per capita and with respect to servicing needs.
- 3/4th of expenses across all city sizes is revenue expenditure, of which half, 50% is establishment and admin expenditure, and 1/4th (of revenue expenditure) is O&M expenditure
- Staff costs are largely met only through SFC grants (need to pay, no other options, tied/restricted); while capex (the other 1/4th of expenses) is only Union & State grants through missions and schemes, with scheme-linked PMUs
- Market borrowing by ULGs is a dismal INR 7000cr. over 28 years, increasing steeply in the last two years, but pre-dominantly project-linked bonds with back-to-back revenue streams servicing the industry, with little staffing.
- Funding for work in the cities and increasingly even the borrowing on behalf of the cities is through a plethora of parastatals (boards, corporations, SPVs, authorities, and even societies), several of which have much larger staff sizes and technical strength than ULGs