The performance of the Government of India over the past few years has been mixed. The Ministry of Home Affairs has capably executed the tasks it has undertaken. It has abolished Article 370 and executed the administrative reorganisation of Jammu, Kashmir, and Ladakh. It has supervised a strict lockdown. It has commenced the execution of the Citizenship Amendment Act. It has deployed police forces to seal internal borders as and when it wishes. The health ministry is capably executing a vaccination effort, building on the successful track record on immunisation. The expansion and renovation of the national road network has also been successfully executed by the roads ministry.

Unfortunately, this is not true of the Ministry of Finance, and the economic ministries more generally. The government is in the throes of a structural fiscal crisis, exacerbated, but not caused, by the pandemic. The finance ministry has consistently failed to collect the taxes it aspires to collect, even as the enforcement department conducts high profile “raids”. Its big tax reform—the goods and services tax—has been poorly executed. It is unable to disinvest in tune with its ambition. The banking system is mired in structural difficulties. Roads are being built, but India continues to be a logistics nightmare relative to its Asian competitors. Trade policy is a hotchpotch of protectionism and export-led incentives. Young people are locked up without bail with alacrity, but this efficiency is not matched when it comes to providing them with employment and educational opportunities. We vaccinate well but our health systems continue to be abysmal. The government has retreated from its responsibility to provide more and better public goods, instead focusing on direct cash transfers into bank accounts.

In my view, there are two interesting reasons for this dichotomy. The first is the relative investment of political capital. India’s success in building a modern economy, including in advanced areas like space and nuclear power, as well as the execution of the Green Revolution, involved substantial investment of political capital. Today, the economic ideology underlying the government’s efforts is inchoate. For example, in contrast to the ideological clarity on Article 370, there is no investment of political capital in the privatisation project. As a consequence, efforts are purely focused on asset stripping the government to garner revenue to make up for the failure to collect taxes. Hence the completing and finishing record is abjectly poor. Contrast this with the UK and other privatisations, where the push was not for fiscal reward. It was ideological.

The second reason has to do with the nature of the civil service that executes government policy. Civil services, especially colonial ones, are designed to administer government policy, not to deliver public services. When service delivery and the fostering of economic activity becomes a significant government function, it is necessary to transform it from being an administrative institution to an executive one. This is because service delivery and economic development are complex endeavours. An executive civil service thus needs to engage with complexity, rather than to evade, or seek to simplify, complex problems. It also requires bhagidari (jointmanship) —government working with other stakeholders as peers to achieve a commonly desired outcome. An executive civil service is managerial, collaborative, and adept at utilising technical expertise. An administrative civil service uses coercive power to deliver. Relationships with stakeholders are hierarchical, not collaborative. There are no partners, only supplicants, opponents, and subordinates.

Administrative civil services see executive capability and bhagidari as threats to their power and influence. On Wednesday, the UK’s Chancellor of the Exchequer delivered an outcome-oriented budget that shaped tax and revenue policies to a recovery-oriented medium-term macroeconomic framework. This was possible because in 2010, the UK created an institution—the office of budget responsibility—to improve its executive fiscal capabilities. The Indian finance ministry refuses to allow an equivalent institution (such as a National fiscal council) to be established as it sees this as a diminution of its own administrative power.

India has a classic administrative civil service. Personnel are selected through a generalist competitive exam and then deployed to different functions on the basis of rank. Specialist and technical services subordinate professional expertise to administrative acumen. Individual initiatives apart, there is limited scope or capacity for executive capability in the system. This administrative civil service can accomplish tasks that involve the efficient use of coercive power. It is also able to deliver superbly when delivery involves a time-bound effort to increase scale, like elections, vaccinations and road building.

But delivering effective health and education systems, revenue reforms, disinvestment, management of a banking system, improving logistics, are all complex tasks. They require the civil service to embrace, and continuously engage with, complexity. Administrators respond to an evolving situation—executors control the evolution of a situation. For this reason, the government is able to deliver roads but not better logistics, vaccinate but not deliver a health system that works. It is why the home ministry is better at delivery. The administrative approach works to deliver for the home ministry, as it involves the use of coercive power and deployment at scale. No bhagidari is necessary. It does not work for the finance ministry, as delivery in that domain requires complexity to be embraced, addressed and tackled in an equal partnership with other stakeholders.

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