

PART II
FACTORS BEARING ON REORGANISATION

CHAPTER I

COST OF CHANGE

92. Although the Resolution appointing this Commission vests in this body full discretion to consider any proposal or principle bearing on reorganisation, the Government of India have indicated some broad principles which should govern the consideration of the problem. The relevant portion of this Resolution is quoted below:

“The language and culture of an area have an undoubted importance as they represent a pattern of living which is common in that area. In considering a reorganisation of States, however, there are other important factors which have also to be borne in mind. The first essential consideration is the preservation and strengthening of the unity and security of India. Financial, economic and administrative considerations are almost equally important, not only from the point of view of each State, but for the whole nation. India has embarked upon a great ordered plan for her economic, cultural and moral progress. Changes which interfere with the successful prosecution of such a national plan would be harmful to the national interest.”

93. The principles that emerge may be enumerated as follows:

- (i) preservation and strengthening of the unity and security of India;
- (ii) linguistic and cultural homogeneity;
- (iii) financial, economic and administrative considerations; and
- (iv) successful working of the national plan.

94. Before we go into these and other principles relevant to the task with which we are charged, it would be well to take note of the unsettling consequences of reorganisation. The pace of change in recent years has been such and the changes themselves have been so far-reaching that there has been a general tendency to assume that the administrative and financial consequences of reorganisation

cannot be serious. This is an unrealistic view. Changes in the existing set-up resulting in the breaking up of old ties and the creation of new associations must involve, at least during the transitory phase, a large scale dislocation of the administrative machinery, no less than of the life of the people. As the J.V.P. Committee has pointed out, whatever the origin of the existing units, and however artificial they might have been, a century or so of political, administrative and, to some extent, economic unity in each of the existing State areas, has produced a certain stability and a certain tradition. Any change would naturally have an upsetting effect.

95. To begin with, parliamentary legislation in terms of Articles 3 and 4 of the Constitution, in order to give effect to any scheme of reorganisation, must itself entail a great deal of effort and time. If one were to judge by existing tensions, the proceedings in State Assemblies, preceding parliamentary legislation, may be protracted and may give rise to strong feelings. Reorganisation of States on a rational basis may also necessitate a number of constitutional amendments which will add considerably to the burden of piloting legislation concerning reorganisation proposals.

96. The problems of transition will, by no means, be over with the passage of enabling legislation. In the first instance, there is the difficult question of the unification of the laws in force in the areas which might be grouped together. The laws extant in the existing administrative units, including those governing such vital matters as land tenure, agrarian reforms and prohibition, are not the same even in the geographically contiguous States. There has been no uniform attempt in the recent past, when mergers have taken place, to apply straightaway the laws and regulations of one predominant area to the whole State. Some States have had to depart from this principle because of the prevalence of social and economic conditions in those areas justifying disparity in laws. In some States old laws are still operative because of the delay in completing the process of unification of laws.

97. The initial phase of transition during which two or more sets of laws are applicable in one State cannot, however, last for any length of time. Apart from *prima facie* objections on general grounds and the administrative inconvenience which it will involve,

lack of uniformity in the application of tax laws will make budgeting difficult, and the lack of uniformity, in so far as it involves discrimination without justification, may even prove to be bad in law. For these reasons every reorganised State will have to undertake, in the initial years, a laborious and exhaustive review of its existing legislation.

98. The process of disintegration and re-integration of the existing administrative units must also entail serious dislocation of the administration. It involves a difficult process of integrating the service personnel belonging to one State with the personnel of another State; retrenchment of surplus and unsuitable personnel, if necessary; introduction of unified pay scales; refixation of cadres; re-determination of relative seniority in the different services, etc. It may also be necessary in consequence of reorganisation to devote attention in the initial years to the basic structure of the administration in some of the States, that is to say, the system of district administration, the number of districts and other administrative units and sub-units.

99. In the case of the Part B and Part C States this administrative integration has proved to be a complex problem. In spite of the fact that the utmost importance was attached at the highest level to the early completion of this process, there are some States where it is still to be completed. In the light of this experience it cannot be anticipated that the transition will be easy.

100. In the case of Andhra it was possible, to some extent, to hasten separation. But for various reasons (such as that *inter se* seniority was not disturbed, that surplus staff was retained by the residuary State, and that no great changes in the number or the constitution of the districts were involved), Andhra cannot be regarded as a good precedent. Moreover, the Andhra administration has itself had to face such difficulties as the dispersal of its offices, absence of duplicate records, and lack of experienced staff. It cannot, on the whole, be anticipated that reorganised administrative machinery will start functioning smoothly in the new States within a short period.

101. This must be regarded as the indirect cost of change; to the extent that revision of salaries after reorganisation becomes inevitable (and such a revision, it must be remembered, can only be upwards), there will also be a direct recurring cost. It is not possible or necessary to attempt a forecast of this cost except to indicate

broadly the magnitude of the problem. One estimate which has been made on certain assumptions is that the lump sum provisions which will be needed in order to introduce uniform scales of pay may run into ten or eleven crores per annum. Without necessarily accepting this estimate, it may be assumed that one of the consequences of reorganisation will be the intensification of the existing demands for salary revision to such an extent as to render an increase in State Governments' expenditure unavoidable.

102. Whether there is or there is not a case for salary revision is not a question on which it is necessary for this Commission to express an opinion. In the event of a revision being ultimately decided upon, the State Governments may be able to meet the extra cost involved in the introduction of uniform scales of pay by retrenchment and administrative rationalisation to some extent, but too much reliance cannot be placed on these possibilities in the initial years after reorganisation. In the light of the experience of the working of some of the Part B States, a reduction in the number of districts and other administrative units or large-scale retrenchment, even if justified on administrative grounds, would appear to be a remote possibility. Retrenchment and rationalisation will have to be spread, in all probability, over a number of years; the extra cost of salary revisions will, therefore, be fairly heavy.

103. One other major consequence of reorganisation will probably be the upsetting of the work of the Delimitation Commission. Much of the work of the delimitation of constituencies will have to be done all over again, and major amendments will clearly be needed in the Representation of the People Act, 1950.

104. This discussion is not, and cannot be, exhaustive. It does not take into account, for example, what may be called the human factor, which should be a relevant consideration in breaking up old associations and alignments, or the fact that the service personnel allotted to a State may be inadequately equipped to deal with the needs of that State. There will also be many other minor difficulties with which the new States may be faced. The division of assets and liabilities has never proved to be easy. What are known as unique institutions, that is to say, institutions which serve the needs of the State as a whole, may not be equitably divided on partition; arrangements may have to be made to duplicate them or to ensure that they serve the separated units. Separation of records would involve a process of sifting, collating and large-scale copying. Some changes in the judicial organisation of the States will

also be necessary, and considerable volume of accounts work will be created at a time when the Comptroller and Auditor-General is planning an experiment in the separation of accounts and audit, which will itself add greatly to the responsibility of State Governments.

105. The integration of princely States involved administrative changes in an area of about 360,000 square miles inhabited by about 59 million people—not counting the major and minor units the boundaries of which were not changed. Impressive as the scale and swiftness of these changes were, it can now be seen in retrospect that the process of rationalising the administrative system in these areas has been spread over seven or eight years and, as has been stated already, it is still not complete. If the reorganisation of States at the present time is to be on a comparable scale, the effects of the change are bound to be considerable.

106. A preliminary but essential consideration to bear in mind, therefore, is that no change should be made unless it is a distinct improvement in the existing position and unless the advantages which result from it, in terms of the promotion of “the welfare of the people of each constituent unit, as well as the nation as a whole”—the objectives set before the Commission by the Government of India—are such as to compensate for the heavy burden on the administrative and financial resources of the country which reorganisation of the existing units must entail. The reorganisation of States has to be regarded as a means to an end and not an end in itself; that being the case, it is quite legitimate to consider whether there is on the whole a balance of advantage in any change.