

PUB AD ESSENTIALS

JULY 01, 2026

**Article: PM's Review of
Deregulation & Regulatory
Reforms;** The Indian Express

From Regulatory State to Facilitating State

India's post-independence administrative system evolved as a **rule-bound, control-oriented Weberian bureaucracy**, where licences, permits, inspections and procedural compliances became the principal instruments of regulation. Although the **1991 Liberalisation** dismantled much of the economic **Licence Raj**, administrative governance remained **compliance-heavy, fragmented and procedure-centric**, leading to what is often described as 'Licence Raj 2.0'.

The current deregulation agenda represents the **next generation of administrative reforms**, transforming the State from a **controller to a facilitator** by replacing **procedural control with trust-based governance, departmental silos with Whole-of-Government coordination, and rule-oriented administration with outcome-oriented public management.**

Paper-I Linkages:

1. New Public Administration (Dwight Waldo • George Frederickson • Frank Marini)

While the **instruments** of deregulation largely reflect **New Public Management**, its **ultimate objective** resonates with the normative ideals of **New Public**

Administration by promoting:

- **Citizen-centric and responsive administration** through Ease of Living reforms.
- **Social relevance** by reducing citizens' transaction costs and procedural hardships.
- **Change-oriented administration**, where bureaucracy becomes an instrument of societal transformation rather than mere rule enforcement.
- **Equity, accessibility and quality public service delivery** over procedural rigidity.

Value Addition: *NPA asks "Administration for whom?", whereas NPM asks "Administration how?". India's deregulation agenda combines both by using managerial reforms to achieve citizen-centric governance.*

2. New Public Management (Christopher Hood • Osborne & Gaebler • Pollitt & Bouckaert)

The reforms exemplify the core principles of NPM:

- **Government as facilitator ("Steering rather than Rowing")**
- Deregulation and reduced procedural controls.
- Performance and outcome-oriented governance.
- Citizen/customer-oriented service delivery.
- Managerial flexibility with greater accountability.
- Innovation, efficiency and competition in public administration.

3. Good Governance

Strengthens the principles of:

- Transparency
- Accountability
- Responsiveness
- Efficiency & Effectiveness
- Rule of Law
- Citizen-centric governance

4. Governance vs Government

Illustrates the shift from:

- Government as **Regulator** → Government as **Facilitator**
- Hierarchical bureaucracy → Collaborative governance
- Command-and-control → Trust-based governance

5. Max Weber

Represents a movement beyond the limitations of **legal-rational bureaucracy**, reducing excessive proceduralism while retaining legality, accountability and institutional stability.

6. Herbert Simon

Reflects Simon's concept of **administrative efficiency** through simplification of procedures, rational decision-making and reduction of administrative costs and compliance burden.

7. Luther Gulick (POSDCORB)

The **Whole-of-Government (WoG)** approach reinforces:

- **Coordination (CO)** among ministries.
- Better **Organisation (O)** through integrated governance.
- Improved **Reporting (R)** and performance monitoring.

8. Chester Barnard & Mary Parker

Follett

Embodies:

- **Barnard's Cooperative Systems** through inter-departmental coordination and common organisational purpose.
- **Follett's Principle of Coordination** through direct contact, integration and unity of purpose across departments.

9. Digital Era Governance (Patrick

Dunleavy)

Demonstrates:

- Integrated digital platforms.
- Paperless and faceless governance.
- End-to-end digital service delivery.
- Reintegration and platform-based administration.

10. Regulatory Administration

Reflects the transition from **Inspector Raj** to **Smart Regulation** through:

- Risk-based inspections.
- Self-certification.
- Compliance reduction.
- **Better Regulation instead of More Regulation.**

Paper-II Linkages

Administrative Reforms

Directly aligns with reforms relating to:

- Simplification of rules and procedures.
- Process re-engineering.
- Reduction of red tape.
- Citizen-centric administration.
- Capacity building under **Mission Karmayogi**.

Cabinet Secretariat

Reinforces its role in:

- Inter-ministerial coordination.
- Policy convergence.
- Whole-of-Government implementation.
- Monitoring cross-sectoral reforms.

Centre-State Administrative Relations

Highlights:

- Cooperative federalism.
- Centre-State coordination in compliance reduction.
- Harmonisation of regulatory reforms across States.

E-Governance

Strengthens:

- Digital India.

- National Single Window System (NSWS).
- Faceless governance.
- Integrated citizen service delivery.
- Reduction of unnecessary regulations and compliances.
- Citizen-centric administration.
- Performance and outcome-based management.
- E-governance and integrated service delivery.

Financial & Regulatory administration

Represents the evolution from the **Licence-Permit-Inspector Raj** to a **trust-based, compliance-light and facilitative regulatory framework**, balancing economic efficiency with public accountability.

Role of Civil Services

Highlights the changing role of civil servants as:

- Reform managers.
- Coordinators rather than controllers.
- Drivers of innovation and administrative change.
- Leaders of outcome-oriented governance.

2nd Administrative Reforms Commission (ARC) Linkages

The reforms closely reflect the **2nd ARC's** recommendations on:

- Simplification of laws, rules and procedures.
- Process re-engineering.

High-value Analytical lines

- **India's deregulation agenda represents the transition from a control-oriented Weberian bureaucracy to a facilitative, citizen-centric and digitally enabled governance model.**
- **The reforms are managerial in their instruments (NPM) but normative in their objectives (NPA), using regulatory simplification to enhance citizens' quality of life and administrative responsiveness.**
- **The Whole-of-Government approach operationalises coordinated governance by replacing departmental silos with integrated policy implementation.**

Value addition keywords

**Whole-of-Government (WoG) •
Facilitative State • Regulatory State •**

Trust-based Governance • Better Regulation • Compliance Reduction • Citizen-centric Administration • Outcome-oriented Governance • Administrative Simplification • Process Re-engineering • Risk-based Regulation • Self-certification • Digital Era Governance • Minimum Government, Maximum Governance • Ease of Doing Business • Ease of Living

One-line summary

The deregulation agenda signifies India's transition from a control-oriented regulatory state to a facilitative, citizen-centric and digitally enabled governance model, integrating the values of New Public Administration, the managerial tools of New Public Management and the principles of Good Governance through coordinated Whole-of-Government reforms.

Article: Financial Stability in an Era of Geopolitical Fragmentation &

AI; The Hindu

Background: Evolution of Financial Administration

Financial administration has evolved from routine banking regulation to anticipatory governance of systemic risks.

In an interconnected and technology-driven economy, institutions like the **RBI** are expected not only to regulate banks but also to preserve **financial stability, public confidence and systemic resilience** through evidence-based policymaking, coordinated regulation and adaptive governance.

The RBI's Financial Stability Report reflects this transition from **reactive regulation** to **risk-based, technology-enabled and collaborative public administration**.

Paper-I Linkages

Administrative Thought

Max Weber — Legal-Rational

Bureaucracy

- RBI exemplifies a **professional, autonomous and rule-based regulatory institution**.
- Legitimacy derives from legal authority, expertise and institutional neutrality.

Herbert Simon — Administrative Behaviour

- Evidence-based decision-making through **stress tests, financial indicators and risk assessment**.
- Rational policy formulation under conditions of uncertainty.

Chester Barnard — Cooperative Systems

- Financial stability requires coordination among RBI, Government, SEBI, IRDAI, PFRDA and FSDC.
- Demonstrates administration as a cooperative enterprise.

Mary Parker Follett

- Coordination through integration rather than hierarchy.
- Shared responsibility among multiple financial regulators.

New Public Management (Christopher Hood | Osborne & Gaebler)

Illustrates:

- Performance-based regulation.
- Professional regulatory agencies.
- Technology-enabled supervision (RegTech & SupTech).
- Outcome-oriented governance.
- Government as facilitator of stable markets rather than direct controller.

Good Governance

Reflects principles of:

- Transparency.
- Accountability.
- Predictability.
- Responsiveness.
- Institutional credibility.
- Public trust.

Digital Era Governance (Patrick Dunleavy)

Demonstrates:

- Data-driven regulation.
- Digital financial ecosystems.
- AI-assisted supervision.
- Platform-based governance.
- Reintegration of public services through digital infrastructure.

Regulatory Administration

Illustrates the shift towards:

- Risk-based supervision.
- Macroprudential regulation.
- Preventive rather than corrective regulation.
- Adaptive governance in response to technological disruption.

Paper-II Linkages

Financial Administration

- RBI as India's monetary authority and systemic risk regulator.
- Financial stability as a core public policy objective.
- Balancing innovation with financial prudence.

Indian Administration: Cabinet

Secretariat & Coordination

- Inter-regulatory coordination through **FSDC**.
- Whole-of-Government approach during financial stress.
- Coordination among financial regulators and Ministries.

E-Governance

Relevant to:

- Digital payments ecosystem.
- FinTech governance.
- AI-enabled regulatory oversight.
- Cyber resilience of digital public infrastructure.

Administrative Reforms

Closely aligns with reforms promoting:

- Evidence-based policymaking.
- Technology-enabled governance.
- Institutional resilience.

- Risk-based regulation.
- Capacity building for digital governance.

Role of Civil Services

Senior administrators increasingly function as:

- Risk managers.
- Strategic regulators.
- Policy coordinators.
- Technology-enabled decision-makers.

2nd Administrative Reforms Commission (ARC) Linkages

Relevant recommendations include:

- Professionalisation of regulatory institutions.
- Greater inter-agency coordination.
- Performance-oriented administration.
- E-governance and digital transformation.
- Citizen trust through accountable institutions.

High-value analytical lines

- The RBI increasingly functions not merely as a banking regulator but as the custodian of India's macro-financial resilience.
- Financial stability has evolved from a monetary objective into a governance objective requiring anticipatory

regulation, technological capability and institutional coordination.

- The rise of AI demands a shift from static regulation to adaptive, risk-based governance capable of balancing innovation with systemic stability.

One-line summary

The RBI's Financial Stability Report exemplifies the evolution of Indian financial administration towards adaptive, evidence-based and technology-driven governance, integrating the principles of Weberian institutional credibility, Simon's rational decision-making, Barnard's cooperative systems, New Public Management, Good Governance and Digital Era Governance.