

Administrative Stability and Development: Evidence from India

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The Indian system of administration is divided into various levels, with the country being divided into 29 states and 7 union territories. Such states are further divided into districts, of which there are around 700 in 2016. Each district is headed by an official known by various names across the country— the District Collector, the District Magistrate, or the Deputy Commissioner.

With the district being the most important centre of local administration, the District Collector assumes a role of extreme importance. The institution of the District Collector was created during colonial rule under the British Empire, though it had its roots in the system of administration employed by the Mughal empire (Solin, 2014).

The responsibilities of the Collector have evolved over the years, and today encapsulate a very large array of duties. Apart from the traditional responsibilities of revenue collection, the responsibilities of the institution have been enlarged to include developmental, policing, relief, and legal functions; with Singh (1994) referring to the Collector as the ‘king-pin’ of district administration.

District Collectors are chosen from among the Indian Administrative Services (IAS) cadre of the Indian civil services. Entry to the services is obtained via the Union Public Service Commission examinations, an extremely competitive exam, with successful candidates allocated to the cadre of a particular state (Banik, 2001). With the increasing importance of the position, there has been increasing speculation that the post has become highly politicized. The key instrument of politicization has been through the appointment and transfers of District Collectors, the powers of which are solely held by politicians.

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The increasing politicization of bureaucratic officer has been documented. Demonstrating the impact of this increased politicization, Banik (2001) says that, “...while transfers in the 1960s were more a matter of administrative routine, they are now increasingly being ordered on the basis of caste, influential networks, and political loyalties....” Iyer and Mani (2012) argued that Indian Politicians use frequent reassignments of IAS and bureaucratic officer across posts of varying importance. But they also found the evidence that the highly skilled bureaucrats face less frequent political transfers and lower variability in the importance of their posts. A notable IAS officer Ashok Khemka has been transferred more than 50 times in his 3-decade long career.

In this paper, we studied the trend in length of tenure of a district collector in 9 Indian states. To quantify the influence of the political change in district collector transfer, we compare the transfer in an election year to other years. Our primary results suggest that the tenure of District Collectors is declining in all the 9 states. The observed number of transfers is significantly higher following the election year. Our results indicate that there is a declining trend in administrative stability at the district level. In the next section, we will describe our data and methodology. In the third section we will discuss our results and in the last section we will conclude our primary results with details of our further analysis.

Data and Methodology

A district is the important unit of Indian administration. Every district in India has its own website. Out of 718 districts (in 2018) only 171 district report the history of the Collector on their website. The information available on most district websites include the name of the District Collector, year of joining, last date as district collector, batch and cadre, etc. The availability of this information of on district websites is highly asymmetric across states. For states Rajasthan and Gujarat, history of the Collector is available for all the districts. But for Maharashtra, we only have 5 districts in our sample out of 36 districts. A details information about our sample coverage is shown in the summary statistics table (Table 1).

To identify the election and regime change in our sample period, we used data of Indian election compiled by Bhavnani (2014). These data sets include details about the election year, election month, the winning party or coalition parties, number of seats of each party in each state in given

election year, vote percentage, etc. for the year 1977-2015. We updated their data sets with new election results held in-between 2015-2018.

We define the length of tenure of district collector as the number of days from date of joining to date of leaving. To analyze the trend in length of tenure of a district collector in our sample period, we took the average tenure of district collectors who appointed in given year in given state.

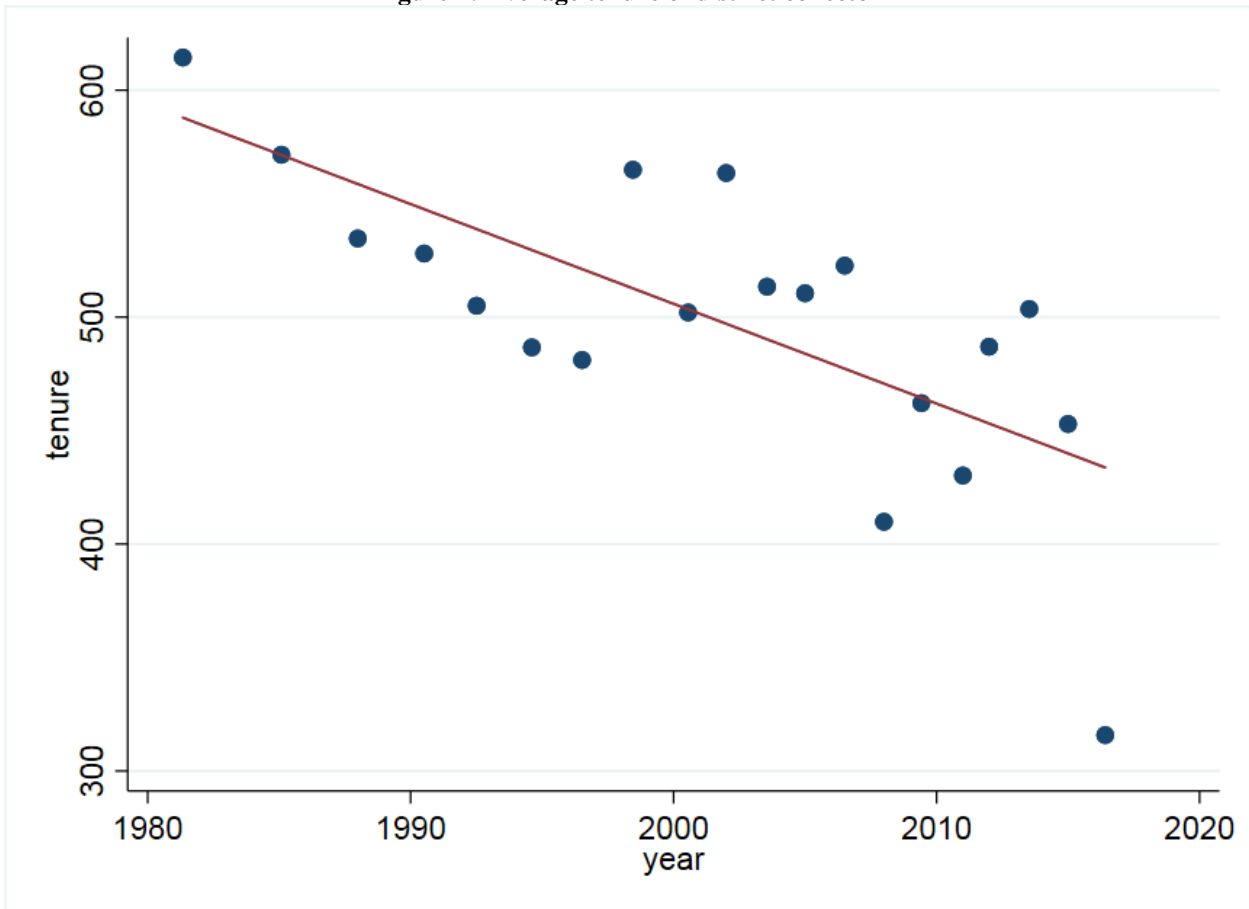
Empirical Results:

The length of tenure of district collector is declining across all states in our sample. In Figure 1, we plotted the trend line of tenure in our sample without any additional control. In Figure 2, we categorize the tenure in 4 categories. The percentage of the districts which have the length of tenure less than 1 year is increasing in last 4 decade while the percentage of districts with tenure length in all other categories (tenure length 1-2 year, 2-3 year and >4 years) has declined. In Table 2, we reported regression results to see the trend in tenure length with additional control in our sample. Column two includes state fixed effect and in column 3 we took district fixed effects. The average length of tenure of Districts Collectors shows the secular decline across states and districts.

The number of transfers per year in our sample is also increasing. In Figure 3 we show how the number of transfers is increasing in our sample. In further analysis, we focused on increasing politicization of Indian bureaucracy. We analyzed the number of transfers around an election year. Using election data and regime changes (the change of leading political party in the state) we studied the number of transfers in the vicinity of election years. In Figure 3 we show the number of transfers years of regime changes compare to other years. Similarly, in Figure 4, we show the how number of transfers in the election years compare to other years in our sample. The number of transfers in the year following the election is increasing and also greater than the trend rate of increase in transfer rate.

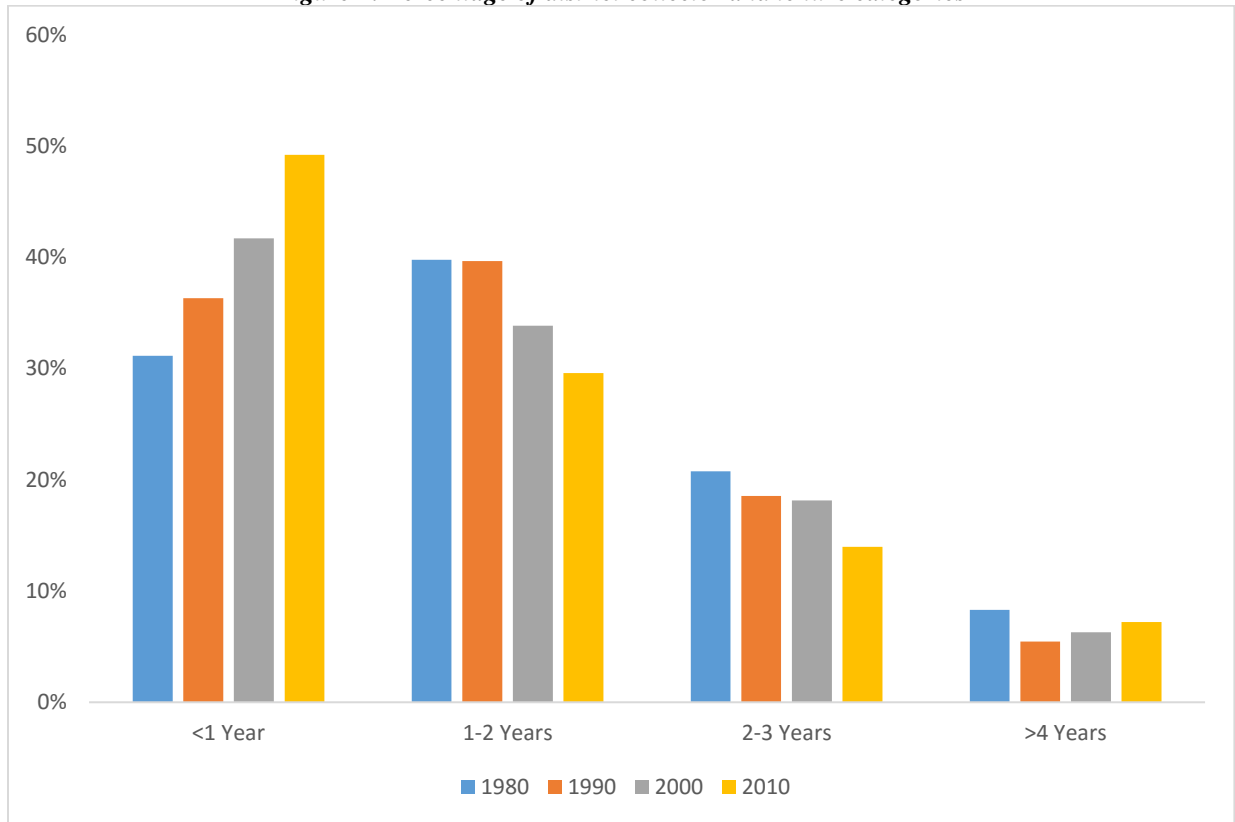
Our primary descriptive statistics shows the increasing trend of instability in Indian administration. Another worrying trend is the politicization of the Indian bureaucracy. In subsequent analysis, we will focus on the impact of administrative instability on the economic development of district using district-level development indicator. We will try to assess the impact of administration stability on economic and social development.

Figure 1: Average tenure of district collector



In this figure we show how the average length of tenure (in days) of District Collectors is declining in our sample of district of 9 Indian states from the years 1980-2018.

Figure 2: Percentage of district collector and tenure categories



In this chart we show how the percentage of collector with less than 1 year of tenure has increased while collector with tenure 1-2 years and 2-3 years has declined in last 4 decades.

Figure 3: Number of transfer in our sample and regime change

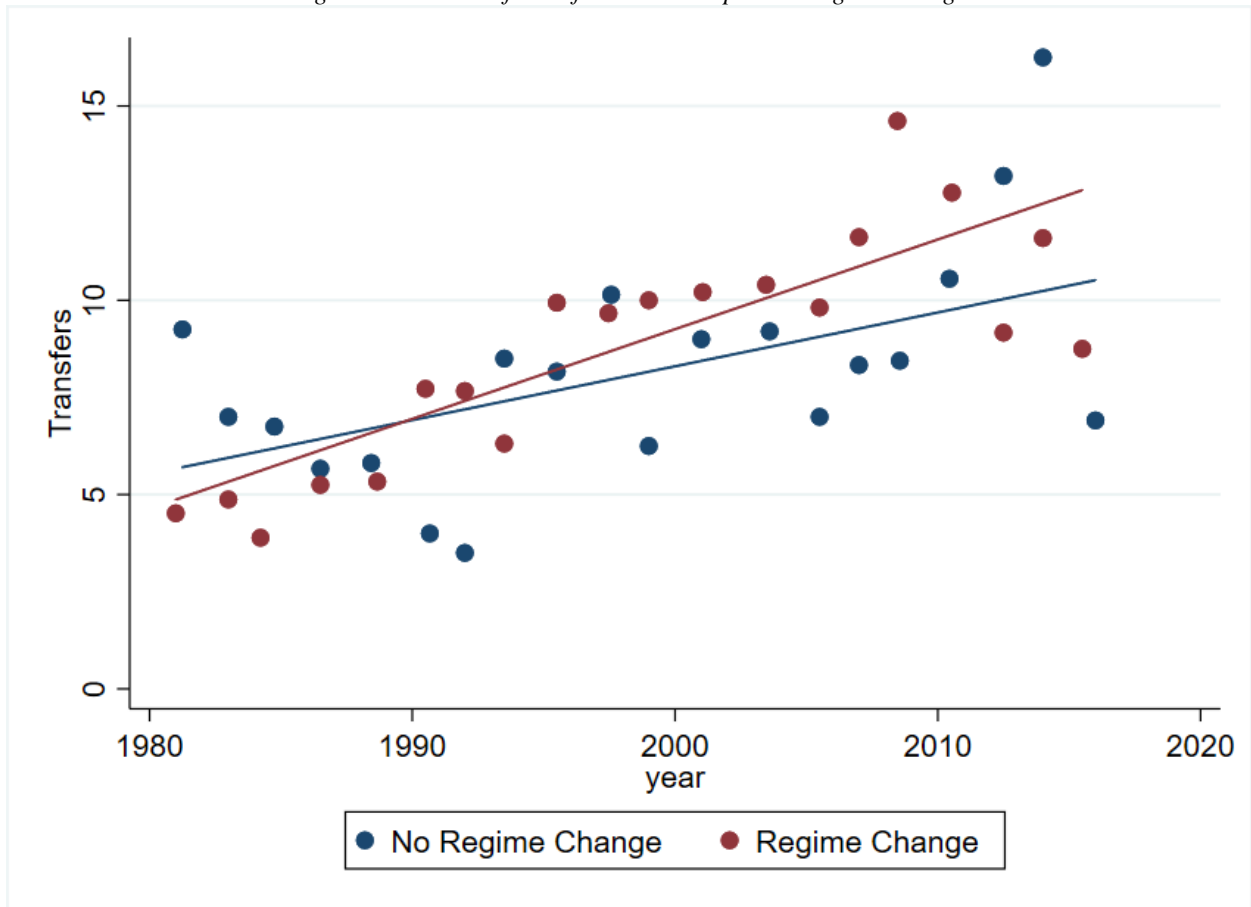


Figure 3: Number of transfer in our sample and election years

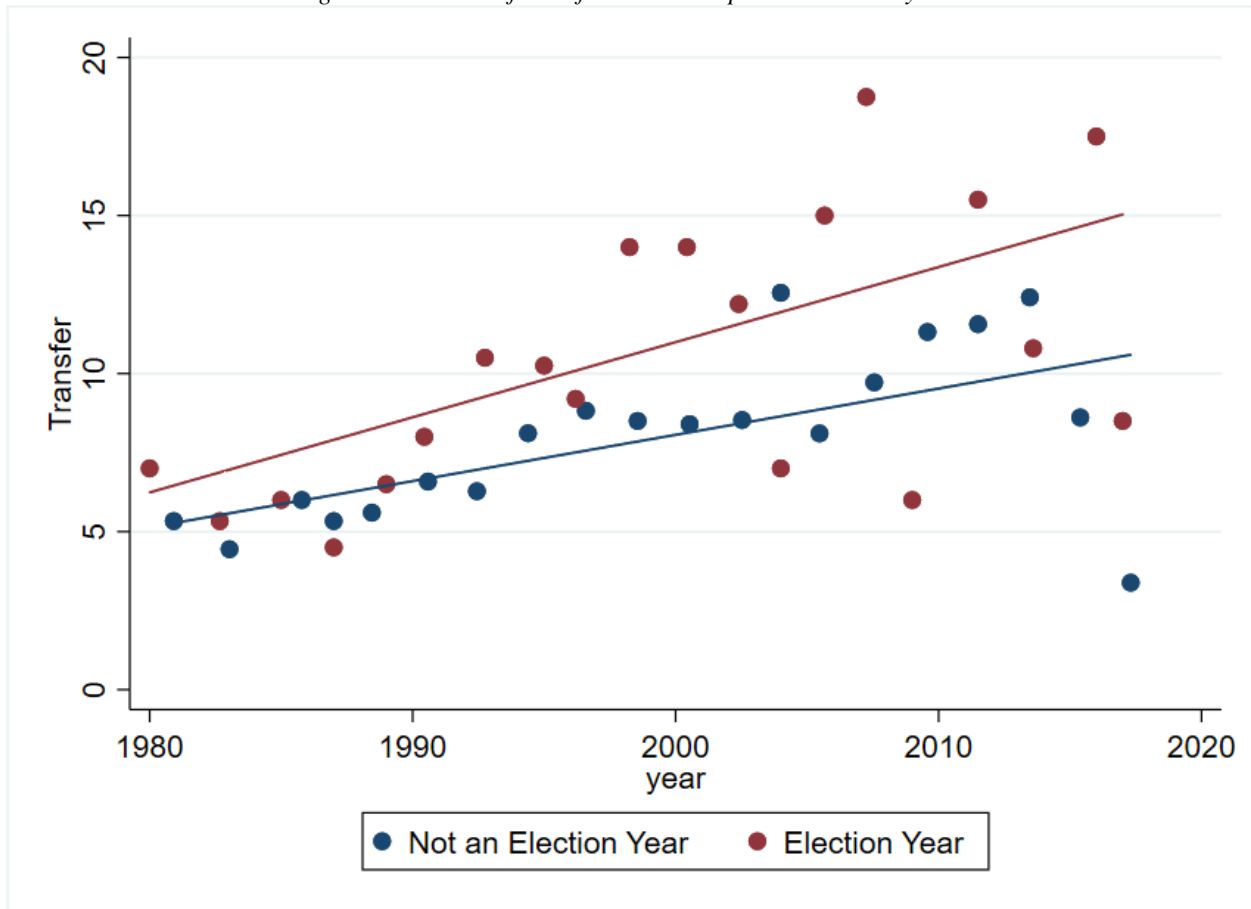


Table 1: Sample detail

State	Number of districts	Number of observation
Rajasthan	33	676
Tamil Nadu	27	581
Gujarat	30	521
Punjab	18	387
Jharkhand	12	291
Odisha	11	248
Chhattisgarh	15	220
Kerala	8	210
Uttar Pradesh	6	158
West Bengal	6	120
Maharashtra	5	96
Grand Total	171	3508

Table 2: Tenure of District collector (in Days)

VARIABLES	(1) Tenure	(2) Tenure	(3) Tenure
Year	-4.413*** (0.563)	-3.258*** (0.628)	-2.989*** (0.598)
State FE	No	Yes	No
District FE	No	No	Yes
Constant	9,333*** (1,127)	6,896*** (1,252)	6,548*** (1,197)
Observations	3,508	3,270	3,508
R-squared	0.017	0.040	0.113
Adjusted R-squared	0.016	0.036	0.067

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 3: Number of transfer in our sample, Election year and Regimes change

VARIABLES	(1) Transfer	(2) Transfer	(3) Transfer
Year	0.156*** (0.0212)		
Election year		2.094*** (0.491)	
Regime change year			2.147*** (0.755)
State FE	Yes	Yes	Yes
Constant	-306.0*** (42.46)	4.782*** (0.819)	5.421*** (0.807)
Observations	415	419	419
R-squared	0.544	0.505	0.493
Adjusted R-squared	0.531	0.492	0.479

Standard errors in parentheses
 *** p<0.01, ** p<0.05, * p<0.1