

Agenda Note

Sub : Comments of NCST requested by MTA on the Recommendations made by the 2nd Administrative Reforms Commission in its Fourth Report titled “Ethics in Governance” relating to “Reducing Discretion” and “ Promoting Competition”.

I Recommendations of ARC in brief.

Reducing Discretion

- a) All government offices having public interface should undertake a review of their activities and list out those which involve use of discretion. In all such activities, attempt should be made to eliminate discretion. Where it is not possible to do so, well-defined regulations should attempt to ‘bound’ the discretion. Ministries and Departments should be asked to coordinate this ask in their organizations/ offices and complete it within one year.
- b) State Governments should take steps on similar lines, especially in local bodies and authorities, which have maximum ‘public contact’.

Promoting Competition

- a) Every Ministry/ Department may undertake an immediate exercise to identify areas where the existing ‘monopoly of functions’ can be tempered with competition. A similar exercise may be done at the level of State Governments and local bodies. This exercise may be carried out in time bound manner, say in one year, and a road map laid down to reduce ‘monopoly’ of functions. The approach should be to introduce competition along with a mechanism for regulation to ensure performance as per prescribed standards so that public interest is not compromised.
- b) Some Centrally Sponsored schemes could be restructured so as to provide incentives to States that take steps to promote competition in service delivery.
- c) All new national policies on subjects having large public interface (and amendments to existing policies on such subjects) should invariably address the issue of engendering competition.

II Implications

Extracts of the related paragraphs on “Reducing Discretion” of the recommendation emphasizes to maximize transparency in the system in order to reduce discretion and resultantly corruption. Where it is not possible to do so, well defined regulations should be introduced to reduce discretion to the barest minimum level.

Recommendations of ARC have emphasized to introduce Competition even in Govt. run monopolistic policies. It has also cautioned that care should be taken to curb corruption and to ensure that public interest is not compromised.

III Proposed Recommendations of the Commission on the matter.

The Commission may consider to comment in favour of the Recommendations of ARC relating to “Reducing Discretion” and “Promoting Competition”.