

The second Administrative Reforms Commission (ARC) was constituted by the Government of India (Department of Administrative Reforms and Public Grievances, Ministry of Personnel) in August 2005 under the Chairmanship of Veerappa Moily, a senior Congress leader and former Karnataka Chief Minister. It was constituted as a Commission of Inquiry to prepare a detailed blueprint for revamping the public administration system. It completed its work in May 2009.

### TERMS OF REFERENCE OF THE COMMISSION

---

The Commission suggested measures to achieve a proactive, responsive, accountable, sustainable and efficient administration for the country at all levels of the government. The Commission, *inter alia*, considered the following:

1. Organisational structure of the Government of India
2. Ethics in governance
3. Refurbishing of Personnel Administration
4. Strengthening of Financial Management Systems
5. Steps to ensure effective administration at the State level
6. Steps to ensure effective District Administration
7. Local Self-Government/Panchayati Raj Institutions
8. Social Capital, Trust and Participative public service delivery
9. Citizen-centric administration
10. Promoting e-governance
11. Issues of Federal Polity
12. Crisis Management
13. Public Order

The Commission excluded from its purview the detailed examination of administration of Defence, Railways, External Affairs, Security and Intelligence, as also subjects such as Centre-State relations, judicial reforms etc., which are already being examined by other bodies. The Commission was, however, free to take the problems of these sectors into account in recommending re-organisation of the machinery of the Government or of any of its service agencies.

### REPORTS OF THE COMMISSION

---

In all, the commission submitted 15 reports to the Government. They are mentioned below in the order of submission:

1. Right to Information: Master Key to Good Governance (2006)
2. Unlocking Human Capital: Entitlements and Governance – a Case Study (2006)
3. Crisis Management: From Despair to Hope (2006)
4. Ethics in Governance (2007)
5. Public Order: Justice for Each ... Peace for All (2007)
6. Local Governance: An Inspiring Journey into the Future (2007)
7. Capacity Building for Conflict Resolution: Friction to Fusion (2008)
8. Combating Terrorism: Protecting by Righteousness (2008)
9. Social Capital: A Shared Destiny (2008)
10. Refurbishing of Personnel Administration: Scaling New Heights (2008)
11. Promoting e-Governance: The SMART Way Forward (2009)
12. Citizen Centric Administration: The Heart of Governance (2009)
13. Organisational Structure of Government of India (2009)
14. Strengthening Financial Management Systems (2009)
15. State and District Administration (2009)

## **RECOMMENDATIONS OF THE COMMISSION**

---

### **I. On Right to Information**

1. The Commission has recommended that the Official Secrets Act, 1923, be repealed saying it is incongruous with the regime of transparency in a democratic society. It stated that the safeguards for state security should be incorporated in the National Security Act.
2. Total reorganisation of public records for effective implementation of the Right to Information (RTI) Act. An office should be set up in each state as a repository of expertise, to monitor all records. One per cent of the funds for all flagship government programmes should be earmarked for five years for updating records and building infrastructure.
3. Atleast half the members of the Information Commission (IC) should be drawn from a non-civil service background. Thus, the members will represent variety and experience in society.
4. The IC should be entrusted with monitoring implementation of the RTI Act in all public authorities. For this purpose, clear guidelines should be evolved to determine which non-government organisations came under the Act.
5. Most requests for information are for redressal of grievances. The states may be advised to establish independent public authorities to deal with complaints of delay, harassment and corruption.
6. A roadmap should be chalked out for effective implementation of the Right to Information Act in the legislature and the judiciary at all levels.
7. Files and notings per se are not confidential and should not be inaccessible to the public

unless exempted under the Right to Information Act.

8. Para 118(1) of the Manual of Office Procedure should be deleted as it is totally violative of the RTI Act. The rulebook currently deems file notings to be confidential for the eyes of those within the secretariat.
9. The provisions regarding unauthorised communication of official information and confidential character of notes/files will have to be amended.
10. Every government servant should make available to the public or any organisation full and accurate information which can be disclosed under the RTI Act.

## **II. On Public Order**

1. The Commission has recommended repeal of the controversial Armed Forces Special Powers Act (AFSPA), 1958, stating that its scrapping would remove the feeling of discrimination and alienation among the people of the northeastern States. To provide for an enabling legislation for deployment of armed forces of the Union in the NE States, the Unlawful Activities (Prevention) Act, 1967, should be amended by inserting a new chapter.
2. It favoured a new doctrine of policing and criminal justice embedded in an inclusive approach to governance.
3. On another controversial issue of deployment of Central forces in States, the Commission recommended enactment of a law to empower the Union Government to deploy its forces and to even give them directions in case of major public order problems which may lead to a breakdown of the constitutional machinery in a State. However, such deployment should take place only after the State concerned fails to act on a direction issued by the Union under Article 256. All such deployments should be only for a temporary period not exceeding three months which could be extended by another three months after authorisation by Parliament.
4. Favouring separation of crime investigation from other police functions, the Commission recommended that a Crime Investigation Agency be constituted in each State. A State Police Performance and Accountability Commission should be constituted to provide the required autonomy to the police.
5. The tenure of the Chief of the Law and Order Police as well as the Chief of the Crime Investigation Agency should be at least three years.
6. On representation of women and under represented sections of society in the police, it said that affirmative actions should take care of this aspect but favoured 33 per cent representation of women in the police force.
7. Organisations and persons found guilty of instigating violence should be liable to pay exemplary damages. The damages should be commensurate with the loss caused by such violence.
8. All public agencies should adopt a zero tolerance strategy towards crime to create a climate of compliance of laws leading to maintenance of public order.
9. Dwelling on reforms in the criminal justice system, it favoured a system of introduction of local courts, preferably one court for a population of 25,000 in rural areas.
10. The Commission recommended bringing investigation of certain crimes with inter-state and national ramifications directly under the jurisdiction of CBI. These offences include terrorism,

organised crimes, acts threatening national security, sedition, arms and human trafficking, assassination of major public figures and serious economic offences.

11. No sanction of the Centre or State should be necessary for prosecution under Section 153(A). Section 196 of Cr. PC should be amended accordingly.

### **III. On Ethics in Governance**

1. The Commission has called for providing in the Constitution a national ombudsman, Rashtriya Lokayukta, which will cover all the union ministers and chief ministers, MPs and others but will not cover the PM's office.
2. In the electoral and political spheres, it suggested partial state funding of elections, tightening of anti-defection law, a collegium for appointment of Chief Election Commissioner and other Commissioners, code of ethics for ministers and a law to define "office of profit".
3. It recommended abolition of schemes under which MPs and MLAs are allocated funds for their local area development.
4. It proposed the establishment of National Judicial Council that will decide on appointment of judges by a collegium consisting of representatives from executive, legislature and judiciary.
5. It suggested a collegium headed by the PM and comprising of the Lok Sabha Speaker and the Opposition leader, among others, for appointment of the CEC and ECs.

### **IV. On Local Governance**

1. The commission has recommended promotion of local democracy, which is much more than decentralisation and which seeks to build up local bodies as self-governing institutions.
2. It recommended that the government place before Parliament a framework law for local bodies on the lines of the South African Act for laying down the broad principles of devolution of power, responsibilities and functions to the local bodies.
3. At the district level, a third tier of democratic government is proposed to replace the present system, which is a colonial legacy. In its place a district council, representing both urban and rural areas, should be constituted and the District Collector should work as the chief secretary of the council while reporting to the state government for regulatory functions. This will ensure convergence of planning and developmental activities for rural and urban areas.
4. Parliament to make provision for constitution of a legislative council in each state. It would comprise members elected by the local bodies in order to strengthen the voice of local bodies.
5. To reform the electoral process, the task of delimitation and reservation of constituencies should be entrusted to the State Election Commission.
6. To strengthen local bodies' finances, it recommended that a State Finance Commission be constituted in such a manner that it can take into account the recommendations of Central Finance Commission.
7. It recommended that local bodies take total responsibility for the functions entrusted to them under the Constitution and bodies such as electricity boards and water authorities made responsible to them. For ensuring accountability and transparency in the functioning of local

bodies, it was suggested that a local body ombudsman be constituted to look into complaints of corruption and maladministration.

8. To suggest steps to deal with rapid urbanisation, it recommended the setting up of a national commission of urbanisation. It also favoured direct election of Mayors by popular mandate.
9. It recommended abolition of octroi and suggested that the government evolve mechanisms to compensate local governments for revenue loss.
10. To tackle the problem of urban transport, particularly in larger cities, it suggested that a unified metropolitan transport authority be set up in all one-million plus population cities for coordinated planning.

## **V. On Combating Terrorism**

1. The Commission favoured enactment of a comprehensive and effective legal framework to deal with all aspects of terror and a federal agency to investigate terrorist offences.
2. It said that dealing with terrorism would require a multi-pronged, comprehensive strategy in which different stakeholders—the government, political parties, security agencies, civil society and media—would have an important role to play.
3. Favours a separate, comprehensive law to deal with terrorism, it said though after the repeal of POTA a number of provisions had been incorporated in the Unlawful Activities Prevention Act, the legal provisions to deal with terrorism could be incorporated in a separate chapter in the National Security Act, 1980. It said a strong anti-terror law with equally strong safeguards to prevent its misuse is needed.
4. To choke funds of terrorists, it recommended that a specialised cell be created in the proposed National Counter-terrorism Centre for taking concerted action on the financial leads gathered by various sources.
5. It favoured video recording of statements made as confessions before the police. For this, necessary amendments in the Indian Evidence Act should be made.

## **VI. On Refurbishing of Personnel Administration**

1. The Government of India should establish National Institutes of Public Administration to run Bachelor's Degree courses in public administration/governance/management. The selected universities should also be assisted to offer such graduate level programmes in public administration/governance/public management. These graduates from the National Institutes of Public Administration and selected universities would be eligible for appearing in the Civil Services Examination. Further, other graduates would also be eligible to appear in the Civil Services Examination provided they complete a 'Bridge Course' in the core subjects. The Bridge Course should be run by the same national institutes/universities.
2. The permissible age for appearing in the Civil Services Examination should be 21 to 25 years for general candidates, 21 to 28 years for candidates from OBC and 21 to 29 years for candidates from SC/ST as also for those who are physically challenged.
3. The number of permissible attempts in the Civil Services Examination should be 3, 5, 6 and 6 respectively for general candidates, candidates from OBC, candidates from SC/ST and

physically challenged candidates respectively.

4. The Preliminary Examination should consist of an objective type test having one or two papers on general studies including the Constitution of India, the Indian legal system, Indian economy, polity, history and culture. There should be no optional subjects.
5. The Main Examination should consist of two papers only in the compulsory subjects. These compulsory subjects may include Constitution of India, Indian legal system, Indian economy, polity, history and culture etc. The question papers should be of the conventional descriptive type. Besides, there should be a separate essay paper as a part of the Main Examination.
6. The induction of officers of the State Civil Services into the IAS should be done by the UPSC on the basis of a common examination.
7. Every government servant should undergo a mandatory training at the induction stage and also periodically during his/her career. Successful completion of these training programmes should be a minimum necessary condition for confirmation in service and subsequent promotions. Mandatory induction training programmes should be prescribed for Group D staff also before they are assigned postings.
8. A national institute of good governance may be set up by upgrading one of the existing national/state institutes. This institute would identify, document, and disseminate best practices and also conduct training programmes.
9. For making appraisal more consultative and transparent, the performance appraisal systems for all Services should be modified on the lines of the recently introduced Performance Appraisal Rules (PAR) for the All India Services.
10. The Government should expand the scope of the present performance appraisal system of its employees to a comprehensive performance management system (PMS).
11. Annual performance agreements should be signed between the departmental minister and the Secretary of the ministry/heads of departments, providing physical and verifiable details of the work to be done during a financial year. The actual performance should be assessed by a third party.
12. For a transparent system of appointments in the government, covering all ranks, the Commission has suggested the setting up of a Central Civil Services Authority. The Authority should be a five-member body with the Chairperson appointed by the President on the recommendations of the Prime Minister and the Leader of the Opposition to make it totally apolitical.
13. The Commission is of the view that in order to avoid any conflict of interest, government officials should not be allowed to go on deputation to private commercial organizations.
14. In order to increase accountability, the Commission suggested a periodic review of the performance for which it recommended a system of two intensive reviews — one on completion of 14 years of service and the other on completion of 20 years. The first review will primarily serve the purpose of intimating individual about his/her performance and the second is mainly to assess the fitness of the officer for his/her future continuation in service. The employees found unfit after 20 years should be dispensed with.