

# ARC Report

## [UPSC Notes]

### What is ARC Report?

Administrative Reforms Commission (employed by the Government of India) publishes some reports, known as ARC reports. ARC's reports are crucial documents for public administrations, effective governance, and much more. Mainly there are two ARC reports, the first ARC report (published by the 1<sup>st</sup> ARC started in 1966) and the second ARC report (published by the 2<sup>nd</sup> ARC set up in 2005).

- The 1<sup>st</sup> ARC Report had provided 537 primary recommendations in about 20 reports before it was wound up in the 1970s.
- Conversely, the 2<sup>nd</sup> ARC published 15 reports encompassing various public administration sectors.

Though both the ARC Report recommended effective reforms, the 2<sup>nd</sup> ARC is considered essential for the study of public administrations. It is also a part of the public administration syllabus for UPSC.

### What is Administrative Reforms Commission in India?

The Government of India has appointed an organization or body known as the Administrative Reforms Commission that provides recommendations for evaluating India's public administration system. India's ARC was set up twice.

#### First Administrative Reforms Commission (ARC)

The Indian Government established the first Administrative Reforms Commission on 5 January 1966 under revolution number 40/3/65-AR(P). In the beginning, Morarji Desai managed the ARC, but after he got appointed as India's Deputy Prime Minister, K. Hanumanthaiah managed it as the chairperson.

- This declaration of ARC described the configuration of the ARC, the authorization of the commission, and the practices to be ensured.
- The first ARC was authorized to provide thoughtfulness to the requirement for certifying the premium standards of proficiency and integrity in public services.
- The ARC was mandated to make public administration the perfect equipment for implementing the Indian Government's various socio-economic policies and socio-economic development.
- It had provided 537 primary recommendations in about 20 reports before it was wound up in the 1970s.

## Second Administrative Reforms Commission (ARC)

The Government of India founded the 2<sup>nd</sup> ARC on 31 August 2005 under the resolution number K-11022/9/2004-RC. It was established with an objective to make a comprehensive scheme to revamp the public administration system in India.

Initially, Veerappa Moily managed the commission as the chairperson. However, after his resignation in 2009, V. Ramachandran took responsibility as the new chairperson.

- The second ARC was authorized to propose some effective measures to attain a practical, responsive, responsible, sustainable, and proficient public administration at all the government levels in India.
- The 2<sup>nd</sup> Administrative Reforms Commission also published 15 reports encompassing various public administration sectors.

The **2<sup>nd</sup> ARC Report** comprised reforms such as the Indian Government's organizational structure, integrity in governance, Revamping of Personnel Administration, Reinforcement of Financial Management Systems, Local Self-Government, Citizen-centric, Problems in Federal Polity, Promoting e-governance, Crisis Management, RTI, Unlocking Human Capital, and many more.

- The first-ever report from the 2<sup>nd</sup> ARC was Right to Information, considered a principal means for Good Governance in India.
- The Government of India excluded sectors like Military defence, security and intelligence, etc., and subjects like judicial reforms and relations between central and State governments from the 2<sup>nd</sup> ARC's recommendations.

Nevertheless, as the 1<sup>st</sup> ARC, it was also free to contemplate issues from these government sectors or subjects and recommend restructuring.

### 1st ARC Report

The 1<sup>st</sup> ARC report included reforms such as Railways, Machinery for Planning, Economic Administration, Treasuries, RBI, Finance, Accounts & Audit, Scientific Departments, Personnel Administration, State Administration, Posts and Telegraphs, Small Scale Sector, and many others.

- The 1<sup>st</sup> ARC excluded detailed inspection of external affairs, defense administration, security and intelligence, railways, etc., and subjects like educational administration because the separate commissions evaluated them.

However, the ARC was free to consider issues from these government sectors and recommend reorganization.

### 2nd ARC Report

The 2<sup>nd</sup> ARC made recommendations for reforms in two distinct groups. The first is a change in administration configurations, procedures, and practices. And the other one is a set having various issues that the Government of India needs to evaluate the proposed reforms. These changes require robust political determination and constant supervision.

2nd ARC Report recommendations included

- State Information Commission
- Paying wages via post offices or banks (NREGA),
- The Districts must directly receive the funds
- Emergency and long-standing moderation plan for District Disaster Management.
- Indian Citizens' commission, a Supervisory body for local bodies
- Resilient Lokayukta and Lok Adalat
- Corporate Social Responsibility
- Social Audit, MIPUI AW, and encouraging e-governance

2nd ARC Report Summary - Outline	
1st Report	Right to Information: Master Key to Good Governance
2nd Report	Unlocking Human Capital: Entitlements and Governance
3rd Report	Crisis Management
4th Report	Ethics in Governance
5th Report	Public Order
6th Report	Local Governance

7th Report	Capacity Building for Conflict Resolution
8th Report	Combating Terrorism - Protecting by Righteousness
9th Report	Social Capital-A shared Destiny
10th Report	Refurbishing of Personnel Administration & Scaling New Heights
11th Report	Promoting eGovernance : The Smart Way Forward
12th Report	Citizen Centric Administration
13th Report	Organisational structure of Govt of India
14th Report	Strengthening Financial Management Systems
15th Report	State and District Administration

## 2nd ARC Report Summary

The ARC reports, both 1<sup>st</sup> and 2nd ARC Report, are bulky and getting any information from them becomes pretty complex and time-consuming. As the second ARC report is considered more important, people read the '2nd ARC report summary' even to get detailed information.

However, the report can be understood with some of its details described in brief. A good understanding of the 2<sup>nd</sup> ARC's 15 reports and its constituents can give insights

into the entire report. A concise description of a few essential second ARC reports is given below.

### **1<sup>st</sup> – Right To Information**

It was the first-ever report published by the 2<sup>nd</sup> ARC recommending that the 'Official Secret Act' of 1923 must be revoked. The report stated that people who have any official secrets and fail to keep them should be declared guilty.

- Also, section 123 (Governmental privilege in proofs) under the Indian Evidence Act of 1872 should be revised.
- This section of the 2<sup>nd</sup> ARC Report also comprised the Constitution of SIC, Oath of Secrecy, and many more points and recommendations for reforms.

### **2<sup>nd</sup> – Unlocking Human Capital**

This report by the 2<sup>nd</sup> ARC is also known as NREGA. It includes ARC's recommendations such as Ensuring Reach, Outcomes, and Convergence.

- Also, it states Spread out the scheme, Protective Wage amounts, and utilizing Information Technology and monitoring.
- Besides, this report also affirms a Financial Management System, the responsibility of post offices and banks for paying workers & fund flow and many others.

### **3<sup>rd</sup> – Crisis/Disaster Management**

This report by ARC comprises recommendations such as a separate and individual establishment in the Indian Constitution for managing Disaster; the Government of states must deal with Crises Management, and the Central Government should be supportive of that.

- It does not recommend any separate department or ministry for disaster management in the State or Central Government. However, we have in our State.
- However, it suggests authorizing Relief Commissioners to use IT and support for institutions to inhibit and solve disasters.
- It also stated to introduce Disaster Management as a subject, national policy and Awareness campaign to enhance crisis management plan. Also, it includes designing early warning systems to warn people about future disasters.

### **4<sup>th</sup> – Ethics in Governance**

This 2<sup>nd</sup> ARC report suggests reforming the political funding, intensifying the Anti-defection law, and revoking Articles 310 & 311, National Judicial Council, Office of Ethics.

- It also proposed defining a service value for all government servants, an ethical background for Ministers, and excluding people with charge sheets.
- It also included the Prime Minister, and Chief Ministers should take the responsibility to ensure the “Code of Ethics” and many other recommendations.

### **7<sup>th</sup> – Capacity Building for Conflict Resolution**

This report proposed ways to resolve conflicts, including Contemporary Land Acquisition Act and Capacity Building the North East Administration. It is also recommended not to locate any SEZ in prime agricultural Land and focus on water-related and tribal area-related issues.

### **8<sup>th</sup> – Combating Terrorism**

With this report, the 2<sup>nd</sup> ARC recommended measures against terrorism. It suggested setting up a separate statutory Review Committee, special courts, and possession of arms. The report also suggested the participation of Indian citizens, media, and civilians in battling terrorism.

### **9<sup>th</sup> – Social Capital – A Shared Destiny**

Through this report, recommended up-to-date Legal Frameworks for Donations and charity work in India, communal social responsibilities, Integrated Social Policy, the establishment of the National Accreditation Council, and the amendment to the Foreign Contribution bill.

It also suggested enhancing the existence and movement of Self Help Groups in the country's rural areas and must be expanded to the urban areas.

### **11<sup>th</sup> - Promoting e-Governance - The Smart Way Forward**

In this, the ARC recommended ways to promote and support e-Governance through creating a friendly environment, identifying new e-Governance projects and Prioritizing them, Re- persuading business processes, spreading awareness, building capacity, observing or supervising and implementing.

It also included SWAN, SDC, CSCs, and many other Common Support Infrastructures, lawful frameworks for e-Governance, knowledge management and many other points.

### **12<sup>th</sup> – Citizen Centric Administration**

This report comprised reforms for the citizens of the country through focusing administration on citizens.

It included various roles of the Indian Government, ARC's 7-step standard for Citizen Centricity, Delegation, Supervising and Evaluation, making Licenses and Accomplishment Certificates, and improvising citizen commissions.

The report also focused on women's and physically challenged involvement, streamlining internal procedures, easing the processes of addressing issues concerning birth or death registration, driving licenses, etc., and developing an efficient Public Grievances Redressal System analyzing & identifying injustice-prone areas across the country.

### **13<sup>th</sup> – Organizational Structure of the Indian Government**

With this report, the 2<sup>nd</sup> ARC suggested some fundamental principles for reorganizing the Structure of the Indian Government.

It suggested guiding Central, State, and other levels of Government by the notion of subordinateness, streamlining government functions, restructuring various government departments and ministries, reorganizing the distribution of business protocols, developing efficient Executive Agencies, and implementing Synchronization Mechanism.

### **14<sup>th</sup> – Financial Management System**

This ARC report concentrated on impractical Budget Estimations, delays in executing projects, crooked expenses patterns, insufficient observance of the multi-year perception and overlooking a line of sight.

It also underlined fulfilling Budgetary Financial Targets instead of focusing on Outputs or Outcomes and baseless 'Plan-Non-Plan' trait leading to incompetence in resource Utilization.

### **15<sup>th</sup> – State and District Administration**

This is the last report by the 2<sup>nd</sup> ARC recommending the need to minimize the Council of Ministers' size, adjust Secretarial Department counts, and enhance executive agencies.

The report also emphasized civil services law, local level government, Lokayukta, and many other points focusing on government administrations in states and districts.