

# Rationalisation of Autonomous Bodies

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Autonomous bodies are crucial to the government's functioning. But, questions have been raised about the transparency and accountability of autonomous bodies in India. The functioning and governance of such bodies can be the focus of UPSC.

**In news:** The Union Government is considering rationalizing over 120 autonomous bodies

**Placing it in syllabus:** Governance

**Dimensions:**

- What are autonomous bodies?
- Relevance of autonomous bodies
- Funding of autonomous bodies
- Scheme and need for rationalisation

## Content

### What are autonomous bodies?

- An Autonomous Body (AB) is **set up by the government for a specific purpose**.
- They are set up whenever certain functions need to be discharged with some amount of independence and flexibility without day-to-day interference of the Governmental machinery.
- These are **set up by the Ministries/Departments** concerned with the subject matter.
- They are either registered as societies under the **Societies Registration Act** or in certain cases they have been set up as **statutory institutions** under the provisions contained in various Acts.

## Relevance of autonomous bodies:

- Autonomous bodies are engaged in diverse activities of the government.
- They are involved in **formulating frameworks for policies, conducting research, and preserving the cultural heritage**, etc.
- Therefore, they are a major stakeholder in the government's functioning.

## Funding of Autonomous Bodies

- Most of the Autonomous Bodies receive money from the Central Government by way of **grants-in-aid**.
- The amount of such grants depends on the extent to which such institutes generate internal resources of their own.
- These **grants are regulated by the Ministry of Finance** through their instructions as well as the instructions relating to powers for creation of posts and etc.
- According to the Budget documents, outlays to these bodies is a staggering Rs 72,200 crore.
- Over **40% of the funds allocated** to these bodies are used for **payment of salaries**.
- These Autonomous Bodies are audited by the **Comptroller and Auditor General (CAG)**, and the annual report is presented in the Parliament every year.

## Scheme and need for rationalisation:

There are many governance issues in Autonomous Bodies that need review. Some of the pressing matters are:

### *Lax accountability:*

- There have been complaints that AB's don't follow the policies of the government.
- As these bodies are funded by taxpayer's money, demands were raised to **make them more accountable** similar to the

government departments.

#### *Non-transparent Recruitment:*

- Autonomous Bodies employ a considerable number of people. However, There is **no uniformity in rules for recruitment**.
- Unlike the government and the public sector undertakings, in which the recruitment is done by a centralised body such as the Staff Selection Committee (**SSC**), the Union Public Service Commission (**UPSC**) there is **no such body for AB's recruitments**.

#### *Ineffective Functioning:*

- The senior ministry officials do not attend the autonomous body meetings due to lack of time.
- They instead nominate junior officials who often lack the jurisdiction to take meaningful decisions during the meetings.

#### *Lost Way and Purpose:*

- Once created, the entities keep on surviving, many of them not serving any meaningful purpose.
- Some bodies created during Asian Games in India in 1982, for instance, were shut down only recently.
- Also, the boards were merely advisory in nature and failed to impact on influencing policy-making while they became vehicles of "political patronage" with the emergence of a 'middleman culture'.

#### *Lack monitoring and oversight:*

- The exact count of these bodies is not known, with estimates ranging from 400 to 650.

Therefore, the main concern of the Government is that ABs are required to be reviewed and rationalised.

This would improve their outcomes, effectiveness and efficiency, utilisation of financial and human resources, and improve monitoring and oversight.

To address these issues the central government constituted a **Committee for Review of Autonomous Bodies (AB's), chaired by Ratan Watal.**

In its draft interim report, the committee recommended setting up umbrella structures of autonomous bodies wherein a group of similar institutions may be brought together under an overarching framework.

In 2018, the Union cabinet chaired by Prime Minister Narendra Modi approved the proposal for **closure of two autonomous bodies**, namely the **Rashtriya Arogya Nidhi and Jansankhya Sthirata Kosh.**

The rationalisation of AB's is in consonance with the government's **vision of minimum government, maximum governance.**

**Mould your thought:** What are Autonomous Bodies? Is there a need for a comprehensive review and rationalisation of autonomous bodies?

***Approach to the answer:***

- Define Autonomous bodies
- Functions of AB's
- Problems with AB's
- Conclusion