Reconstitution of EAC-PM

What is the issue?

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- Earlier in 2014, Union government has suspended few group of ministers and panels of decision making.
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- Recently Union government re-constituted the Economic Advisory Council to Prime Minister (EAC-PM), as a move to address economic progress.
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What was the government’s decision on Group of ministers?

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- Nearly 100 Groups/Panels of ministers had been set up by United Progressive Alliance (UPA) during its 10-year tenure.
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- While the groups did serve their purpose up to a point, they also became a potent symbol of the policy paralysis.
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- The present ruling Union government has abolished all such groups, as a result of ‘minimum government, maximum governance’ promise.
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- By this ministries had to process issues pending before such groups on their own, and if they faced difficulties, seek help from the Prime Minister’s Office and the Cabinet Secretariat.
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- Thus expediting decision-making and ushering in ‘greater accountability in the system’.
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Why there is a swift in government’s move?

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- In recent months, for strategic decision making the Cabinet has preferred to create a ministerial group.
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- The term ‘alternative mechanism’ has been deployed instead of group of ministers.
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- For instance, the Air India Specific Alternative Mechanism (AISAM) is one of the kind.
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- The Goods and Services Tax (GST) Council has also formed two GoMs and several committees of officials to resolve the hurdles that have come up so far in the new indirect tax system.
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What is significance ofEAC-PM reconstitution?

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- EAC is an independent body to counsel the government, Prime Minister, on economic and related issues, it was suspended in 2014.
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- Its re-constitution is a major signal that the government is aware of the state of the economy and is willing to seek professional help.
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- Earlier one of the important task before EAC was to submit periodic reports to the Prime Minister on macroeconomic developments and issues with implications for economic policy.
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- Unlike the previous EAC, now there are unlikely to be any regular reports taking stock of the economy and its growth outlook.
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- EAC has decided to focus on ten priority areas to accelerate growth and job creation over the next six months.
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- Its views are expected to help formulate the last full-year Budget.
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Source: The Hindu

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