Ethics & Morality · GS - IV

What is mean by conflict of interest? Illustrate with examples, the difference between the actual and potential conflicts of interest.

EXAM YEAR	PAPER	SUBJECT
2018	GS - IV	Ethics & Morality

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Private interests; public duty; impartiality; actual conflict; potential conflict; disclosure; recusal; institutional safeguards

Model Answer

Introduction

A conflict of interest arises when a public servant’s private interests could improperly influence, or appear to influence, the performance of official duties.

Actual Conflict of Interest

An actual conflict exists when a private interest directly intersects with an official responsibility.

Example: An officer evaluating tenders awards a contract to a company in which a close family member has a financial interest, without appropriate disclosure or safeguards.

Here, the private interest is directly relevant to the decision being made.

Potential Conflict of Interest

A potential conflict exists when circumstances could create a conflict in the future, even though no improper decision has yet occurred.

Example: An officer is transferred to a department that regulates a company in which the officer holds shares. The holding may become relevant when the officer participates in regulatory decisions.

Managing Conflicts

1. **Disclosure:** Declare relevant financial, personal and professional interests.
2. **Recusal:** Withdraw from decisions where impartiality may be compromised.
3. **Divestment:** Dispose of conflicting interests where required or appropriate.
4. **Independent oversight:** Refer sensitive decisions to an impartial authority.
5. **Clear rules:** Follow service conduct requirements and maintain transparent records.

Conclusion

A conflict of interest does not automatically prove corruption, but failure to manage it can undermine public trust. Early disclosure and preventive safeguards protect both administrative integrity and fairness.

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