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FINANCING OF WEAKER SECTIONS BY GOVERNMENT SPONSORED CORPORATIONS

KEY WORDS:

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ABSTRACT

The Government of India is involved in a large number of programmes in sectors/area such as education, health, labour, skill development etc. that are in the State List through operation of Centrally Sponsored Schemes (CSS) and provision of Central Assistance to State Governments. These programmes essentially arose from the national objectives and cut across State boundaries. The CSSs are operationalized by Central Ministries based on scheme specific guidelines and are implemented by State Governments or their designated agencies. The CSSs are implemented to achieve social objectives like poverty reduction, improving health services, raising food production etc.

CONSTITUTIONAL PROVISIONS

The Constitution of India clearly defines the role of Central and State Governments in the federal structure. As per the constitutional provision, all activities in Government sphere are categorized as falling in Central List, State List and Concurrent List. While there is no ambiguity with regard to the Central List and State Lists, activities falling under Concurrent List are subject to overlapping of jurisdiction of the Government of India and the State Governments. States are primarily responsible for major sectors like health, education, employment etc., which often involve large public expenditures. Since successful implementation of development programmes require availability of adequate funds, appropriate policy framework, and effective delivery machinery, the Central Government needs to work with the States to undertake their responsibility in effective manner. Recognising the higher resource requirements of the States relative to their resource raising powers, the Constitution mandates to transfer funds to the State Governments through statutory transfer of tax receipts collected by the Centre through the Finance Commission award. In addition, the States access central plan funds through Centrally Sponsored Schemes and Central assistance to State Plans.

The Constitution has under Part-IV mentioned the Directive Principles of State Policy. These inform the policies of various wings of the Government and act as an overriding philosophical basis. While these are not enforceable in the same way the Fundamental Rights mentioned in the Constitution, they i indicate the overall policies which should govern various laws. It is, therefore, important that these are fully kept in mind when the policies of Planning Commission, Government of India, for development of the economy are made.

REFORMS IN CENTRALLY SPONSORED SCHEME

Over the period of the Five Year Plans, the number of Centrally Sponsored Schemes (CSSs) has been growing. Large funds are being transferred to States under these Schemes. In view of the large diversity of physical and economic infrastructure in the States, their potential for development and investment requirements, the Schemes need to provide greater flexibility in their design. The Planning Commission had appointed a Committee in April, 2011, under the Chairmanship of Shri B.K.Chaturvedi to suggest measures and identify changes required in the restructuring of the CSSs. The Committee in its report submitted on September 2011 has suggested:

The number of CSSs should be limited and only those schemes which are required as a part of the convergence process as a broader scheme have large outlays so as to make impact across the States to be implemented, the rest are tobe weeded out and to be converged with other Schemes.

The existing CSSs should be categorized into Flagship schemes that h have large outlays and address major national issues; major sub-sectorial schemes to address developmental problems of major sectors like agriculture, education and health and Sector-umbrella schemes which deal with the range of problems of concerned sector.

Distribution of CSSs funds among States should be based on transparent notified guidelines which should be put on the website of the concerned Ministries. The States may be incentivized to provide larger outlay in certain sectors like health, education, skill development and rural infrastructure. The incentives could be, by provisions of additional funds, based on the States own efforts to increase outlays for the sector.

The physical and financial norms for the Schemes ma y vary depending on the requirement of the State. A mechanism for developing flexibility in such norms as against the normal CSS prescription has been suggested. This should take care of large variation often requested by North East States or States like Kerala, Rajasthan, Uttarakhand and Himachal Pradesh which have special needs.

All CSS must have 20 per cent flexi funds (10 per cent for Flagship schemes).

These should be utilized by the States to prepare schemes which are specially suited for the requirement of that State.

Each financing of weaker sections will provide a flexible pool of financial resources to be used to facilitate and incentivise innovative practices that blaze a trail for others to follow during the Twelfth Plan period. State -wise central share releases under important financing of weaker sections during 2012-13.

There should be a concurrent monitoring and evaluation of the CSS. This should be done by independent monitors and put on the website of the concerned Ministry and the Planning Commission. This assessment could be done by professional institutions, visit of experts to major project - implementing States or assessment by individual experts by visits to the field.

CENTRALLY SPONSORED SCHEMES IN THE TWELFTH FIVEYEAR PLAN

The issue of restructuring of Centrally Sponsored Schemes (CSSs) according to the report presented by Chaturvedi Committee[4] and by a meeting held on May23, 2013 by a group of Ministers endorsed the following principle for implementing a Centrally Sponsored Schemes (CSSs) / Additional Central Assistance (ACA) scheme in the Twelfth Five Year Plan:

All interventions with similar objectives and beneficiary groups may be taken under single umbrella.

Financial outlays should be minimum of Rs. 500 cr per annum.

In exceptional cases, schemes with smaller outlays that address interventions in niche areas like Disability, Tribals, Minorities and Youth may be considered for inclusion. The assessment of the outcome and response of various financing of weaker sections in various States is primarily the responsibility lity of the implementing Ministries of Government of India. The Union Ministries release funds to the States on the basis of guidelines of the programmes and performance of the scheme upon receiving the utilization certificates for the funds earlier provided to them. The outcome and performance Budgets of the respective Union Ministries presented to the Parliament also inter-alia contain outcomes against targets achieved under various financing of weaker sections.

The financing of weaker sections s were launched by Government of India to bridge the education, health, employment and infrastructure divides. These have been complemented by specific policies for inclusion of SCs, STs, minorities and women. The ultimate objective behind the financing of weaker sections s is to achieve broad-based improvement in the living standards of all people and to ensure that growth is widely spread so that its benefits, in terms of income and employment, are equitably shared by the poor and weaker sections of the society, especially the Scheduled Castes (Scs), Scheduled Tribes (STs), Other Backward Classes (OBCs), Minorities and Women.

Objectives Of The Study

The specific objectives of the study are as follow:

1. To apprise the various financing of weaker sections s in the country and to examine the functioning of financing of weaker sections s.
2. To list out limitations and drawbacks in the implementation of the financing of weaker sections s.
3. To assess the performance of financing of weaker sections s relating to Education.
4. To examine the efficacy of the financing of weaker sections s of Health.
5. To study the impact of financing of weaker sections of MGNREGP.

Hypotheses Of The Study

As against the above objectives the following hypotheses are formulated to test and verify;

- There is no significant difference in the amount spent on Flagship Programmes in different states of India.
- There is significant difference in the performance of Education Programmes in different states of India.
- There is significant difference in the performance of Health Programmes in different states of India.
- There is significant difference in the performance of MGNREGP in different states of India.

METHODOLOGY

The study is based on secondary data culled out from different reports of Reserve Bank of India, Budget Reports of the Union government and Budgets of selected state governments and Economic surveys. Besides these, Journals such as EPW, National and International Progress Reports, Hand Book of Statistics, Reports of Centre for Monitoring Indian Economy (CMIE), India Development Report, World Development Reports of various years and some unpublished theses and information available in www.indiastat.com are extensively consulted.

Period Covered

The study period covered is from 2016-17 to 2020–21 along with the social expenditure in India and its impact on economic development.

1.12.2 Scope of the study

Along with the social expenditure in India and its impact on economic development 15 major states in India viz., Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal have been chosen for making the analysis of inter-state disparities of social sector expenditure on financing of weaker SECTIONS .

Collection of data

The present study is primarily based on the secondary data from Reports of Government of India, State Governments, journals like Budget Briefs, websites on all financing of weaker sections s as well as individual programmes.

Statistical Tools Used

Keeping in mind the broad objectives and hypotheses mentioned above, relevant statistical tools like percentages, co-efficient of variation, are employed. The data collected for this study are also depicted in the form of charts and diagrams to illuminate the facts.

Limitations Of The Study

The financing of weaker sections s are very important for equitable development and they are many. Due to constraint of time and resources, only Health, Education and MGNREGP have been considered for the present study. Secondary data are culled out from blue books and reports published by various ministries form the main stay of this report. The analysis made and conclusions drawn are based on these official sources. Another limitation is the data on total funds since inception of Financing of Weaker Sections s is not available and hence, the data relates broadly to the period from 2016 to 2021 and the budget and allocations to the available sections are considered for the present study.

The Govt. of India in recognition of the role played by infrastructure in poverty removal, has taken up massive all India programmes for development of physical infrastructure (rural housing, rural roads, rural electrification, irrigation, drinking water, urban infrastructure etc.) and human capital formation under different flagship programmes, mainly to promote education and health care. The Flagship Programmes have been achieving broad-based improvement in the living standards of people to a greater extent. Educational system plays a crucial role in the training, development and allocation of its manpower resources. In a developing country like India, it is expected that the educational system will become not only a key component for economic development of various sections of its people, but also a powerful instrument for accelerating the process of social change. The Government of India has recognized that greater priority is given to primary education for the breadth and length of manpower. According to Amartya Sen, female education enlightens the family welfare, and also the educated women can mould their children for their bright future.

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