
Centrally Sponsored Schemes - Issues and Recommendations

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Abstract:

A hungry world is a dangerous world,” “without food, people have only three options: They riot, they emigrate or they die. India is called the world’s hunger capital as 1/3rd of the world’s hungry live in India, 5 Indians die every minute from hunger and 25 lakh Indian die every year from hunger. In India millions of poor people sleep without food which is the blot on the image of the country. The real fruits of the democracy cannot be achieved unless the people of that country are freed from the clutches of poverty. After the independence the national government was committed to raise the standard of living of the Indian people by pursuing the task of development. Hence government of India introduced number of Centrally Sponsored Schemes to mitigate the sufferings of the poor in the country; so far these schemes could not achieve the desired results because of number of issues. In this paper we will discuss the issues pertaining to centrally sponsored schemes, further some suggestions will be given for the future development.

Keywords: CSS, Need, Issues, Recommendations, Suggestions, Implementations, Decision making

Introduction

*“A hungry world is a dangerous world,” “without food, people have only three options: They riot, they emigrate or they die. (UN FAO). India is called the world’s hunger capital as 1/3rd of the world’s hungry live in India, 5 Indians die every minute from hunger and 25 lakh Indian die every year from hunger (UN WFP). When we look at the current position of the rural people of India, they live a life of hardship and face problems of malnutrition, diseases, low life expectancy, poverty, illiteracy, low productivity and poor are becoming more and more poor which has left the negative marks on the image of the country. Rural people consists of agricultural labourers, potters, blacksmiths, barbers, artisan’s, Scheduled castes, tribes etc. who all are found in the category of poor. Poverty is related to the living conditions of the people which directly impinge on the quality of the life. According to the UNDP report the India is having the largest number of population in the world which are characterised by the poor. In India millions of poor people sleep without food which is the shame for the country. Approximately 194.6 million people are undernourished in India which accounts for the highest number of people suffering from hunger in any single country (**report Times of India**). As per the details revealed by the **11th five year plan** number of Indians living on less than \$ a day called BPL were 300mn and rural working class who depend on mostly agriculture were remaining unemployed for nearly 3 months per year.*

India being one of the most populous country with around 121 crore population out of which 83.3 crore reside in rural areas out of which majority are homeless (1.77mn or 0.25 % of total population) who live on railway tracks, roads, footpaths, slums etc. and about 20% of the Indian in the age group of 15-25 are jobless and seeking work (**Census 2011**). The poverty in rural and urban areas is more or less similar, but in terms of numbers, the poor in rural India are nearly three times the urban population. About three-fourths of total population of the country is rural and therefore majority of the poor are in the villages. As Gandhi jahas said that *“India lives in villages and the development of the nation cannot be achieved without the development of the villages”*. The real fruits of the democracy cannot be achieved unless the people of that country are freed from the clutches of poverty.

The problem of providing the gainful and quality employment to the new entrants to the job market has been a major challenge for India. With improving standards of health, nutrition, and education, a large number of youth are entering the job market but the unemployment rate in India has increased over the past 10 years out of which 70 % are educated and nearly three fourths live in rural areas. As a consequence, it has pressurised

the government to create gainful job opportunities for all. In fact this is the single biggest problem which our country is facing.

During the freedom struggle, the Indian government had made a commitment that after the attainment of independence, the country would work on the planned model of development which would foster the social welfare's like employment opportunities, infrastructural facilities, and better utilisation of the countries resources to achieve the maximum efficiency. The national government was committed to raise the standard of living of the Indian people by pursuing the task of development but could not prove to be fruitful due to following reasons:

-) India continues to be an agrarian economy, which contributes less than one-fourth of the GDP, but employs more than 70 % of the rural work force.
-) Nearly 80 % of the farmers have small and marginal holdings and most of them practice subsistence agriculture.
-) A high rate of population and low level of illiteracy have adversely affected the developmental process.
-) Slow pace of development in the industrial and service sector.
-) Moreover if there was any trickle-down effect, it remained confined to the urban areas only.

Dr. B.S. Minhas states that "Securing rapid economic growth and expansion of employment, reduction of disparities in income and wealth, prevention of concentration of economic power and creation of values and attitudes of a free and equal society has been among the main objectives of all plans of the Indian government." (Minhas B.S, **planning and the poor**, p.8).

India being a mixed economy or what we called Socialist pattern of society where the role and responsibility of the government are much wider than any other kind of society in which the government assumes to undertake all important functions like making and implementing the various plans for the economic development i.e. growth with Social justice. The Indian economy has witnessed a big change in the role of government over time. Social security and poverty alleviation has remained a main goal of the India. When we go through the history early rulers were also working towards the welfare of people like, Kautilya in his Arthashastra "*welfare of people lies in the welfare of king*". Indian government has always tried to their best to develop the people to their fullest potentialities and to raise their standards of living by keeping in view their sufferings mainly in rural areas, so initiated many developmental programmes to suite different types of regions, different social and economic classes of people with varying economic base as well as those without any economic assets as a part of its planned strategy to develop the rural India and alleviate poverty. Indian government has come up with many centrally sponsored schemes to meet the basic needs of people.

Centrally Sponsored Schemes (CSS)

CSS are meant to supplement the resources of the state governments, who are responsible for the implementation of these schemes and who are expected to pay a matching contribution, typically 25%. These schemes are designed by the central ministers, who then pass on the funds to the states from the central plan budget that the ministers control. The outlay and the nature of individual schemes are determined by the provisions and guidelines attached to schemes, are relatively inflexible, and cannot be altered by the states, at least on paper.

CSS were originally to be formulated only where an important national objective such as poverty was to be addressed, or the program had a regional or interstate character or for the purpose of research. However, the CSS have proliferated enormously, and in the terminal year of the 9th plan there were as many as 360 CSS. CSS share has almost become double in the last few years from one-third to two-third of the total central plan budget.

In India, the centre and state legislature are responsible for the law making, the central state government are responsible for the implementation of laws and policies and the judiciary interprets the laws. Subjects are divided between the centre and the states that on the basis of the union, state and concurrent lists. The centre is responsible for the subjects that fall within the union list, the states for those subjects which fall in the state list and both the states and the centre are jointly responsible for the subjects that fall within the concurrent list.

There are the several subjects with which states deal but may face shortage of resources to deal with which can be eradicated with the help of centre by providing adequate resources in these sectors. One of the ways it does this is through establishing CSS.

These schemes are formulated with the monitor able targets at the central level with adequate provision of funds in the union budget under various Ministries. The objectives, strategy and methodology of implementation are prescribed and funds are released to the states based on their requirements. CSS aim is to promote equitable and sustainable human development. These schemes are extended under Article 282 of the Constitution Transfer of funds from centre to states. One of the main reasons for the growth of CSS is the availability of funding for the social sector which was earlier available only for the economic activities of the government.

To sum up we may define the CSS as:

-) CSS are schemes that are implemented by the states but are largely funded by the Central government.
-) They are basically special purpose grants extended by the central government to states to encourage them to plan and implement programmes that help attain national objectives.
-) CSS are basically extended by the Central government to States under Article 282 of the constitution. It mainly covers items listed in State list.
-) To be precise, CSS is the biggest component of Central Assistance to State Plans (CA).

Poverty Profile in India

270,000,000 CoreIndians are poor

80 % Poor Live in Rural Areas

20% Poor Live in Urban Areas

Poverty Rate 25% in Rural Areas

Poverty Rate 14% in Urban Areas

27% poor small villages

19% poor big villages

17% poor small towns

6% poor big cities

1/3rd of world's hungry live in India

5 Indians die every minute from hunger

25 lakh Indians die every year from hunger

**Source: World Bank Report, United Nations world food programme (UNWFP)
United nations Food and Agriculture organisation (UN FAO)**

Issues:

Keeping in view the sufferings of the poor people in the country, Government of India since independence has strived hard to mitigate these sufferings. A number of initiatives governments took to overcome the problems to make the life of these people worthy living as everyone has right to live a happy and prosperous life. One of the initiative governments of India undertook was CSS whose main aim is to develop the standard of living, maintain quality of life, to provide basic necessities of life etc. Even government is also spending lavishly on these schemes for the welfare of the people but still these schemes have not proven beneficial to the extent as expected because of many problems. In this paper we will discuss some of the issues associated with these schemes as many agencies have raised the issues in its implementation.

1. **Attitude of the Government:** The government of India is spending lavishly on these schemes by releasing the funds, but don't realise whether the funds are being utilised judiciously or not. They don't bother whether the objectives for which these schemes have been launched are being met or not. The state governments even don't utilise the funds properly and don't even concern about the people which have made it pathetic.
2. **Data:** Non availability of correctness of data has made it the biggest problem. Even the union and state governments don't ensure the correctness of the data leads to its fudging and incorrect information. There is lack of accountability on their part.
3. **Misuse of Funds:** Union Ministry is allocating funds on these schemes enormously but still the funds are being misutilised which has pose a great threat. The authorities are filling their own pockets for the sake of poor who are the actual needier of this money. They are not getting benefitted any way by these schemes.
4. **Lack of Responsibility and Accountability:** There should be the proper machinery for the implementation of the programme. Who should be held responsible for non-implementation of scheme, non-performance, and poor delivery of output?
5. **Control:** The union government is not able to control the execution of the schemes and able to ensure whether said objectives have been attained within given time frame. There is no proper evaluation in this matter which reflects that there no proper control from government's part.
6. **Delay in Funds:** Union government is trying its best to allocate the budget for the said purpose as early as possible but the respective agencies are not distributing the funds to the people in time which has made their life miserable. Not release of funds in time make uncertainty about the availability of funds at the field level.
7. **Too many schemes:** There are number of schemes being in operation in the country. It becomes difficult for the respective ministries to execute and control the schemes. There are even some schemes which have already failed but still in operation. Political advantage is also seen in announcing many new schemes like during budgets, 15th Aug etc.
8. **Implementing Authority:** as we know state government is the implementing authority for CSS and is solely responsible for it. State government official spent too much time of collecting data relating to blocks, districts but spend little time in its analysis. They use to forward it to their higher authorities without taking any corrective action if required. They keep themselves busy in only submitting information.
9. **Reform:** No one has power to change the nature of the scheme. Little time is left for the officers to initiate the change, if it takes at least 2 years to get it implemented. During this time if the officer gets transfer his efforts come to naught. It dampens the enthusiasm in undertaking changes in the schemes. Even if we find the good persons in the departments who want to bring the revolution they don't stay at a particular for a long time.
10. **Meetings:** Every time meeting is held by the officials, ministers who serve no purpose. These things should be reduced to make it effective. If meetings are being held for the sake of something, then good results should come out, otherwise there is no fun in organising meetings.
11. **Lack of coordination:** There is a lack of cooperation between the centre and the state governments which become one of the obstacles in its implementation. Difference in political ideology between centre and state leads to irregularity in its functioning. As proper coordination leads to smooth functioning of all organs of the system.

12. Corruption: Most of the officials are corrupted which becomes obstacle in its implementation. Corruption puts the common man in a trouble and has the negative impact on the minds of people, as people want corruption free country. Due to the presence of the corruption in the schemes most of the people keep themselves away from such programmes.

13. Lack of awareness among people: Majority of the population is not aware about the schemes sponsored by centre, due to which, they are not able to avail the benefits from such schemes. They don't have even the idea of these schemes due to unawareness programmes. Without the public awareness no initiative can be implemented properly and effectively. Without the support of people government couldn't achieve the national objectives that are the backbone of any country.

14. Share allocation: It has also been seen that different states receive different percentage of share with respect to funds. It has created interstate disturbances. Favouritism is also found in terms of allocation of funds to the states as some get less and some more.

Recommendations:

Functionaries in the development administration should not function as masters of the people; instead they must facilitate, stimulate and promote change and development. Successful implementation of development programmes requires adequate funds, appropriate policy framework, formulation of suitable plan schemes, and effective delivery machinery. The various steps should be undertaken to make the schemes profitable:

1. The best way to make the schemes success is to mix them with technology for the purpose of maintaining transparency. Implementation also becomes easy with the help of latest technology.
2. Beneficiaries should have proper knowledge about the schemes.
3. To overcome the problems, corruption level should be reduced and official should be made realise it ill effects.
4. Unless you insist, and give pressure continuously, democratic institutions, will not work.
5. In order to monitor the schemes, people must be made aware about the schemes valid in their area and also aware about the process,complaining authority etc.
6. Number of schemes should be reduced as it leads to implementation difficult and its impact could be high.
7. There should be the greater transparency in share allocation among the states and states should be allocated funds as per requirement.
8. Most important independent evaluation should be done by the agencies and experts.
9. There should be the proper authority, responsibility and accountability among the officials and governments.
10. Tasks like Poverty Elimination including MGNREGA and Schemes for social inclusion; Drinking water and Swachh Bharat Mission; Rural Connectivity including Electrification; Access Roads and Communications etc. should accord highest priority.
11. The mechanism for release of Central Assistance (CA) to the States under these Schemes should be simplified.
12. There should be certainty regarding the availability of funds and Central Assistance likely to be available under these Schemes.
13. Releases of funds should be simplified, based on yearly authorization. Actual release of cash would be on quarterly basis.
14. Awareness programmes must be organised for the sake of a common man who can get benefitted from such schemes.
15. Building good relations with the civil society organisations can help a lot in making the schemes effective an deficient one.
16. Most important thing, the needs, wants, aspirations of the people should be determined and should be involved in decision making process.

Conclusion:

Introduction of CSS is a major step on the part of government to achieve the national objectives like poverty reduction, but to make them fruitful there should be the proper governance to get the desired results. TQM and new use of technology should be introduced that may improve its monitoring and supervision. Strengthening of the local institutions, civil society organisations can improve its performance from the ground. To make the task a successful one the ideas, attitudes, values, orientations and predispositions of the bureaucracy should change to attain the social transformation. Also political leaders and bureaucrats should develop new understanding of their complementary roles.

“Coming together is a beginning, keeping together is a progress, and working together is Success”.
(Henry Ford)

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