



# Are states doing as much as the centre does?

CALLING ATTENTION: Introducing a column where MPs express their views. Here a Congressman takes up a chronic complaint



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**T**he centre and states usually have a very stormy relationship. I would want to draw attention of the readers of *Governance Now* to the different aspects of this relationship. We live in a federal structure of government with three levels; centre, state and the panchayati raj institutions. There are a number of legislative subjects that either belong exclusively to the centre or to the states, or are common to both.

For the subjects falling under the state

list and the concurrent list, the central government makes a number of welfare programmes and schemes and to implement these schemes, it allocates huge funds. Though the central government releases the funds, it's the state government that is the implementing authority for such programmes.

In 11 years of my parliamentary career I have observed that the central government often complains of states' inability to spend the funds allocated to them. And this is not unique to a particular state. All states, irrespective of parties in power, do not spend the funds allocated to them.

For example, the centre has been making a lot of allocation for distribution

of food grains through the public distribution system (PDS). Recently during the question hour, our agriculture minister Sharad Pawar gave a detailed note on the food grains allocated to the states. The note reveals that the states – with different parties at the helm – have not lifted the grains allocated to them.

Against an allocation of 476.71 lakh tonnes for the year 2009-10, only 390.7 lakh tonnes (up to February 2010) was lifted. For 2008-09, against the allocation of 387 lakh tonnes, the states picked up 346 lakh tonnes. For 2007-08, out of the allocated 392 lakh tonnes, only 332 lakh tonnes was lifted.

The point I am trying to make is, there

State	2007-08		2008-09		2009-10	
	Allocation (lakh tonnes)	Offtake (lakh tonnes)	Allocation (in lakh tonnes)	Offtake (in lakh tonnes)	Allocation (in lakh tonnes)	Offtake (in lakh tonnes)
Gujarat	11	8.82	10.42	8.56	16.86	9.30
Maharashtra	28.80	23.99	31.65	27.06	45.09	33.09
Uttar Pradesh	45.15	42.15	49.25	42.5	70.39	60.07

is no dearth of food grains in the country. There is no bias in the allocation of food grains by the centre to the states. The problem lies squarely at the doorsteps of the states. See the table showing allocation and offtake for three states for the last three years.

Everyone has a point in claiming that PDS is a completely corrupt system in the country. Maybe it is, and it is the responsibility of the state government to check the corruption in the PDS but at the same time don't you think it is the state government's responsibility to lift at least what is allocated and feed the poor? It's here that the states are failing.

Similar is the story in the rural road development. The other day, road transport and highways minister Kamal Nath was asked by a CPI-M MP why enough funds were not allocated for building highways in West Bengal. The tone of the supplementary query was that of a complaint. In reply, Kamal Nath said that West Bengal was ranked the lowest in land acquisition for highways. Without acquiring land, how was it possible to allocate funds? The CPI-M MPs immediately stood up and started complaining of bias by the UPA government.

Land acquisition is the state government's responsibility. The different phases of road development start with land acquisition. If the state government is not acquiring land, no government can make roads in that state.

In case of Bihar, under the Pradhan Mantri Gram Sadak Yojna (PMGSY), thousands of crore of rupees have been allocated. However, till date, the land acquisition and the compliance report are pending. And if the Bihar government complains that the central PSUs are not making roads in their state, it is not the central government's fault. Either you evolve your units or you have to facilitate these central PSUs. A PSU cannot work without the help of the state governments. So whenever the rural development minister comes out with this figure all the MPs from Bihar start fighting with the minister without understanding the fact of the matter.

Since 2000, under PMGSY, out of Rs 99,740 crore sanctioned, only Rs 60,911 (61 percent) crore has been released.

A couple of states are, however, doing well. In 2007-08, Chhattisgarh and Karnataka spent 104 percent and 83 percent of their funds while Himachal Pradesh and Bihar spent 40 percent and 19 percent, respectively. Gujarat and Rajasthan utilised 94 percent and 86 percent of the sanctioned funds while Madhya Pradesh used only 54 percent. But during the same period Bihar used just 14 percent and Tamil Nadu used only one percent of the sanctioned funds.

PMGSY was a flagship programme of the NDA and it was embraced by the UPA. As states are not performing well, in its nine-year history, PMGSY has resulted in mere 17 percent decrease in the percentage of unconnected habitations.

Let's take up the health sector. The central government is spending almost Rs 40,000 crore in this sector. Under the National Rural Health Mission (NRHM), in this budget, the government has allocated Rs 15,723 crore but the problem is high unspent balances in untied grants for primary health clinics, sub-centres, community health clinics and village health committees.

Bihar spent only 11 percent, and Himachal Pradesh 37 percent of untied funds available in 2008-09.

A significant delay in payments in the Janani Suraksha Yojana (JSY), a scheme to help poor women, is also a matter of concern. In Bihar and Rajasthan, only 8 percent and 9 percent mothers received JSY payments at the time of discharge during 2008-09. In West Bengal, it was relatively better with 20 percent of the mothers receiving JSY payment on time.

Major states like West Bengal and Maharashtra are known for their

developmental schemes, but their performance is very disappointing as far as the health sector is concerned. These states spent only 54 percent and 45 percent, respectively, of the total funds available for 2008-09

The central government, though, has never been shy of allocation for its welfare schemes. For example, for 2008-09, 93 percent of the NHRM funds were released and for 2005-06, the total release of the funds was up to 87 percent.

Compare this to the percentage spent by the states. In 2008-09, while Madhya Pradesh and Uttar Pradesh spent 90 percent under NHRM, Bihar spent only 66 percent. This is the reason why the JSY type of women schemes or poor-oriented schemes are not implemented by the states.

The point is that there is no dearth of funds or schemes. There is no problem in the thinking and approach of the central government to provide social security to the poor people living in rural areas. The problem is with the implementation and execution, and the state governments will have to take the blame.

I am not asking anyone to resign over this but what I am saying is, now is the time the state governments must act sincerely. They must develop their own mechanism to at least utilise the funds available to them.

Now I would sum up with some figures in the education sector. Apart from PMGSY, NDA's other flagship programme was Sarva Shiksha Abhiyan (SSA), which UPA adopted with a big heart. This year, we have allocated Rs 50,000 crore on SSA, which is generated through the education cess. Since general public pays the cess, it is incumbent on the state governments to use that money for the elementary education of our poor children.

In 2008-09, Rajasthan and Chhattisgarh spent 90 percent of the SSA funds while Madhya Pradesh and Bihar spent 57 percent and 42 percent, respectively.

My point is, it is a criminal wastage of not only schemes and programmes but also the funds available to states. So the scenarios are the same, be it education, health, roads or rural employment.

So, while discussing the centre-state relations, it is high time the states stopped complaining against the centre and performed on their own by utilising huge funds available to them under the various schemes. ■

(As told to Brajesh Kumar)

Nirupam is the MP from North Mumbai.

**IT JUST OCCURED TO US**

That when people start taking bets on which will relent first - the rising prices or the rising mercury - it's time for the government to sweat over both the state of the economy and the environment.