

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2983

ANSWERED ON:29.08.2012

AUSTERITY MEASURES

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Will the Minister of FINANCE be pleased to state:

- (a) the details of austerity measures announced by the Government from time to time during the last three years and the current year, till date along with the punitive measures attached therewith in case of violation;
- (b) the manner of enforcing the measures and the amount of Government fund saved there from during the same period, year-wise;
- (c) the details of instances wherein such norms were flouted along with the action taken by the concerned authorities thereon during the same period;
- (d) the details of specific advisories or restrictions on travel put forth in the austerity measure along with the instances of non-observance of the same by Ministers and officers during the same period and the reaction of the Union Government on each such case; and
- (e) the steps taken or proposed to be taken by the Government to reduce excess expenditure in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

- (a) to (c) Ministry of Finance, issues guidelines on expenditure management and economy measures from time to time.

In 2009 austerity measures were issued containing mandatory 10%/5% cuts in non-plan expenditure under various heads. The instructions also contained Economy Measures relating to holding of Seminars & Conferences, Domestic and Foreign Travel and Purchase of vehicles etc. In 2010, no austerity instructions were issued.

In 2011, instructions on expenditure management-economy measures and rationalization of Expenditure in Govt. of India were issued. The instructions contained a ban on creation of Plan and Non-Plan posts, except for new organisations which are set up during the course of the current year based on already approved schemes. The instructions also contained economy measures related to seminars/ conferences, Purchase of vehicles, Foreign Travel, Consultancy Assignments and guidelines for observance of discipline in fiscal transfers to States/PSU/Autonomous Bodies and Balanced Pace of Expenditure.

In the current year, instructions were issued on 31st May, 2012 imposing 10% cut in non plan expenditure except under some heads. The instructions also contained Economy Measures related to seminars/conference, Purchase of vehicles, Foreign Travel, Creation of Posts, Observance of discipline in fiscal transfers to States/PSU/Autonomous Bodies, Balanced Pace of Expenditure etc. These instructions are also applicable to autonomous bodies funded by Government of India.

The responsibility for implementing the austerity instructions rests with the respective Ministries/Departments and the Ministry-wise status of implementation is not maintained centrally.

- (d) As per economy instructions. Foreign travel is to be restricted to most necessary and unavoidable cases, size of the delegation and the duration of visit will be absolute minimum; participation in study tours, workshops/conferences/seminars/presentation of papers are to be avoided; and Foreign visits should be so regulated as to ensure that each Ministry remains within the allocated budget (after 10% cut) for the same. The responsibility for adherence to restrictions rests with the Ministries/Departments and data on individual cases is not maintained centrally.

- (e) Ministries/Departments are required to stay within the allocated budget subject to any cuts that may be imposed.