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**STANDING COMMITTEE ON FINANCE  
(2003)**

**THIRTEENTH LOK SABHA  
MINISTRY OF PLANNING**

**DEMANDS FOR GRANTS  
(2003-2004)**

**FORTY-THIRD REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*Presented to Lok Sabha on 21 April, 2003*

*Laid in Rajya Sabha on 21 April, 2003.*

**April, 2003/Chaitra, 1925(Saka)**

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## COMPOSITION OF STANDING COMMITTEE ON FINANCE – 2003

Shri. N. Janardhana Reddy – Chairman

### MEMBERS

#### LOK SABHA

2. Shri Omar Abdullah
3. Shri Raashid Alvi
4. Shri Sudip Bandyopadhyay
5. Shri Surender Singh Barwala
6. Shri Ramesh Chennithala
7. Smt. Renuka Chowdhury
8. Dr. Daggubati Ramanaidu
9. Shri Kamal Nath
10. Shri Trilochan Kanungo
11. Shri Rattan Lal Kataria
12. Dr. C. Krishnan
13. Shri M.V.V.S. Murthi
14. Shri Sudarsana E.M. Natchiappan
15. Capt. Jai Narain Prasad Nishad
16. Shri Rupchand Pal
17. Shri Prabodh Panda
18. Shri Prakash Paranjpe
19. Shri Raj Narain Passi
20. Shri Sharad Pawar
21. Shri Pravin Rashtrapal
22. Shri Ramsinh Rathwa
23. Shri Chada Suresh Reddy
24. Shri S. Jaipal Reddy
25. Shri Jyotiraditya Madhavrao Scindia
26. Shri T.M. Selvaganapathi
27. Shri Lakshman Seth
28. Shri Kirit Somaiya
29. Shri Kharabela Swain
30. Shri P.D. Elangovan \*\*

#### RAJYA SABHA

31. Dr. Manmohan Singh
32. Dr. T. Subbarami Reddy
33. Shri Murlidhar Deora
34. Shri Prithviraj Chavan
35. Shri S.S. Ahluwalia
36. Shri Swaraj Kaushal \*
37. Shri M. Rajasekara Murthy
38. Dr. Biplab Dasgupta
39. Shri P. Prabhakar Reddy

40. Shri Amar Singh
41. Shri Prem Chand Gupta
42. Shri Palden Tsering Gyamtso
43. Shri Raj Kumar Dhoot
44. Shri Praful Patel
45. Shri Dinesh Trivedi

### **SECRETARIAT**

- |    |                        |   |                      |
|----|------------------------|---|----------------------|
| 1. | Shri P.D.T. Achary     | - | Additional Secretary |
| 2. | Dr. (Smt.) P.K. Sandhu | - | Joint Secretary      |
| 3. | Shri R.K. Jain         | - | Deputy Secretary     |
| 4. | Shri S.B. Arora        | - | Under Secretary      |
| 5. | Smt. Saroj Sharma      | - | Committee Officer    |

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\*Nominated vice Sh. Mukhtar Abbas Naqvi w.e.f. 26.3.2003

\*\* Nominated w.e.f. 7.04.2003

## INTRODUCTION

I, the Chairman, Standing Committee on Finance having been authorised by the Committee to submit the Report on their behalf, present this forty-third Report on Demands for Grants (2003-2004) of the Ministry of Planning.

2. The Demands for Grants of the Ministry of Planning were laid on the Table of the House on 12 March, 2003 Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Finance are required to consider the Demands for Grants of the Ministries/Departments under its jurisdiction and make Reports on the same to both the Houses of Parliament.

3. The Committee took oral evidence of the representatives of the Ministry of Planning at their sitting held on 26 March, 2003 in connection with examination of the Demands for Grants (2003-2004) of the Ministry of Planning.

4. The Committee considered and adopted the Report at their sitting held on 9 April, 2003.

5. The Committee wish to express their thanks to the Officers of the Ministry of Planning for the co-operation extended by them in furnishing written replies and for placing their considered views and perceptions before the Committee.

6. For facility of reference, the observations/recommendations of the Committee have been printed in thick type.

**NEW DELHI;**  
09 April, 2003  
19 Chaitra, 1925(Saka)

**N. JANARDHANA REDDY**  
*Chairman,*  
Standing Committee on Finance

# Report

## Introductory

1. The Planning Commission was constituted in March, 1950 by a Resolution of the Government of India and it works under the overall guidance of the National Development Council. The Planning Commission consults the Central Ministries and the State Governments while formulating Five Year Plans and Annual Plans and also oversees their implementation. The Commission also functions as an advisory Planning body at the apex level.

2. The Planning Commission functions through several subjects matter Divisions and a few Specialist Divisions. These Divisions fall under two broad categories.

- (i) Specialist Divisions which are concerned with aspects of entire economy e.g. Perspective Planning, Financial Resources, Development Policy Division, etc, and
- (ii) Subject Divisions e.g. Agriculture, Education, Health, Housing Divisions, etc, which are concerned with specified fields of development in the related areas.

3. The overall Demands for Grants pertaining to Ministry of Planning is as follows:-

Demand No. 69 - Ministry of Planning	78.77 crores
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4. The detailed Demands for Grants of the Ministry of Planning were laid in Parliament on 12 March, 2003.

5. In the present Report, the Committee have examined following issues:-

- (i) Tenth Five Year Plan
- (ii) Public Sector Savings and Investment
- (iii) Fiscal Corrections in the Tenth Plan
- (iv) Human Development
- (v) National Commission on Population
- (vi) Employment Perspective
- (vii) Education
- (viii) Grants-in-Aid
- (ix) Panchayati Raj Institutions

## Tenth Five Year Plan

6. The Tenth Plan (2002-07) has been approved by the National Development Council (NDC) on 21 December, 2002. It envisages an ambitious average growth rate of eight per cent per annum in GDP and doubling the per capita income in ten years. It aims to harness the benefits of growth to improve the quality of life by reduction in poverty ratio to 21 per cent, providing potable water in all villages, enrolling all children in school by 2003 and increasing literacy rate to 75 per cent by 2007. It also aims at creating 50 million jobs during the Tenth Plan and providing shelter to all by the end of the Eleventh Plan. This will require tremendous efforts for resource mobilization, large investment in infrastructure and social sectors, improved allocative efficiency of resources, eliminating inter-state trade barriers, investor friendly environment, labour law reforms, efficient delivery system, and peoples' participation.

7. Explaining the targets set and achieved in the Ninth Five Year Plan and corrective measures suggested to overcome the shortfall, the Ministry stated as under:-

### “Targets and Achievements of GDP during Ninth Plan (1997-2002)

	Target*	Actual
		( % per annum)
1. Agriculture, forestry & fishing	3.9	1.8
2. Mining & quarrying	5.1	3.8
3. Manufacturing	7.1	3.8
4. Electricity, gas & water supply	8.4	5.9
5. Construction	6.8	7.0
6. Trade	6.8	6.8
7. Rail Transport Services	3.6	4.6
8. Other transport services	6.8	5.6
9. Communication	11.9	21.3
10. Financial services	10.4	8.2
11. Public Administration	8.5	8.6
12 Other Services	7.7	8.2
<b>Total</b>	<b>6.5</b>	<b>5.5</b>

\* Source : Mid Term Appraisal to the Ninth Plan

The Ninth Five Year Plan aimed at achieving a rate of growth of 6.5 percent. As against that actual achievement was 5.5 percent. The shortfall vis a vis the target for the Ninth Five Year Plan is mainly in the agriculture and manufacturing sectors. The major reasons for the shortfall include, among others, a shortfall in public investment, inability to fully utilise the capacity created, global slowdown, Kargil War and some natural calamities, etc.

The major steps delineated in the Tenth Five Year Plan Document are special emphasis on agriculture sector, increasing public investment particularly in infrastructure and social sector apart from better capacity utilisation in the manufacturing sector. Major reforms in governance, decentralisation, investor-climate and inter-state trade have also been proposed.”

8. As regards the targets fixed by the Planning Commission for the various sectors of economy during Tenth Plan and steps suggested achieve the growth target of eight percent per annum over the plan period (2002-07), the Ministry in their reply have stated as under :

“Sectoral Value Added Targets for Tenth Five Year Plan (2002-07)

(% per annum)

	Target*
1. Agriculture, forestry & fishing	4.0
2. Mining & quarrying	4.3
3. Manufacturing	9.8
4. Electricity, gas & water supply	8.0
5. Construction	8.3
6. Trade	9.4
7. Rail Transport Services	5.4
8. Other transport services	7.5
9. Communication	15.0
10. Financial services	11.7
11. Public Administration	6.4
12. Other Services	9.3
Total	7.9

\* Average for 5 years

in brief, the details of the policies required to achieve the target of 8 percent growth are given below:

- Make larger public investments in infrastructure and social sectors;
- Improve allocative efficiency of resources;
- Enact policy reforms with a view to creating an investor friendly environment;
- Improve governance and enhance the efficiency of delivery systems.

#### Reform Related Incentives to the States

One of the primary objectives of the Tenth Plan is to strive for regional balance. It is imperative to tackle the development problems of those areas, which, despite existing efforts continued to be characterised by



high poverty, low growth and poor governance. With a view to address this problem a new initiative in the form of “Rashtriya Sam Vikas Yojana” (RSVY) is being operationalised in the Tenth Plan. It aims at focused developmental programmes primarily to fill gaps in backward areas, which would help reduce imbalances, speed up development and help these areas to overcome poverty, besides facilitating the States to move up the ladder of reforms. The strategy is to assist the States in development process through additional grants, only if the concerned State Government undertakes agreed set of reforms including administrative and fiscal reforms. Each of the reforms should have objectively verifiable indicators/milestones and well defined time frames. The RSVY will be a cent-percent grant so as to act as incentives for the States to take up reforms.”

9. As regards growth rate of the economy estimated during the first year of the Tenth Five Year Plan 2002-03, and the steps proposed by the Planning Commission during the remaining 4 years of the plan to achieve the target growth rate of 8 per cent, the Ministry in their reply stated as under:-

“As per the advance estimates of national income released by CSO for the year 2002-03 the economy grew at 4.4% over the previous year (measured in terms of GDP at factor cost at 1993-94 prices).

The Tenth Plan delineates steps to achieve an 8% average rate of growth per annum over the Plan period (2002-07). However, the main reason for slow growth during the current year (2002-03) is due to drought conditions resulting in agriculture sector facing a negative growth of 3.1%. It is expected that there would be normal rainfall in subsequent years leading to improvement in agriculture and overall rate of growth of the economy”

10. During the oral evidence of the Ministry regarding preparation of Annual Plans and monitoring their progress to achieve the 8 percent growth rate, the Secretary, Ministry of Planning stated as under:-

“During the NDC meeting when the Tenth Plan was approved, the Prime Minister observed that the Tenth Plan targets require action to be taken across a wide range of sectors and issues in a time-bound manner. In order to ensure that there was no slippage, he instructed the Planning Commission to draw up a priority agenda of action for 2003-2004 in respect of all Central Ministries concerned, which would be guided by the Cabinet Committee on Economic Affairs. This agenda is at present under preparation and the initial indications are that the range is so vast that the Planning Commission would have to assist the CCEA by playing a major role in this process. It is proposed to perform this task through a quarterly review of each Department.

11. It is further added:

“In the context of the fact that this year the projected growth is only 4.5 percent, serious doubts have been raised about the target of 8 percent. All that I would like to tell this Committee is that this year’s 4.5percent projection is based on the bad monsoon which we had this year. We are quite confident that if the monsoon is favourable in the next year, the agricultural growth which has had a set back will rebound and in the next year and in subsequent years we should see a distinct improvement in the growth which we are getting. This is not to say that we are going to achieve the 8 percent growth. I would again like to reiterate what the Prime Minister has said that this is an ambitious target and a lot of effort will have to go into it. In case at the mid-term appraisal stage we find that for some reason we are not going to be at the 8 percent stage, we will surely look at the numbers and revise the targets.

12. The Committee find that the overall performance of the economy has seriously suffered during Ninth Five Year Plan and registered an average growth rate of 5.5% against the projected rate of 6.5%. The shortfall in agriculture and manufacturing sectors, public investment, inability to use the capacity utilisation, global slowdown, Kargil war, natural calamities are stated to be the reasons for not attaining the targets.

13. The Committee are pained to note that as per the advance estimate released by the Central Statistical Organisation (CSO) the rate of growth is estimated to be 4.4 percent of GDP for the first year of the 10<sup>th</sup> Plan i.e. 2002-03 against the average growth rate of 8 percent perceived during the plan period. The Committee are given to understand that the main reasons for slow growth during the year (2002-03) was due to drought conditions resulting in agriculture sector facing negative growth of 3.1%. They believe that negative growth rate in agriculture sector may not be the only reason for such a dismal performance. Instead, they apprehend that other sectors might have also registered a negative growth rate. The Committee also express their apprehension that since during the first year of the Tenth Plan there has been slippage in the average growth rate, it might not be possible to achieve the target of 8 percent till the GDP grow at an average growth rate of 8.9% per annum during the remaining four years of the plan.

14. The Committee would like to know the actual growth rate (sector wise) achieved during first year of the Tenth Plan and the corrective measures taken/proposed to be taken to accelerate the growth rate during the remaining 4 years of the plan. They are of the view that unless constraints/deficiencies in the system are identified and corrective measures taken, the targets are difficult to achieve. They are given to understand that an agenda for the same is under preparation in which Planning Commission has been entrusted a major role to play. They want the Government to finalise the agenda expeditiously and put a monitoring agency in place who will review the progress made on quarterly basis.

## Public Sector Savings and Investment

15. The Tenth Plan strategy for the attainment of Plan targets is contingent on our ability to increase investment rate in the economy to 30-32 percent, increase the productivity of existing capital assets, undertaking second generation policy reforms with a view to improving the efficiency of new investment; and devise instrumentalities to facilitate and encourage a deepening and broadening of the agenda for reforms across the States.

16. Raising the investment rate in the economy is critically tied with the ability of the Government both the Central and the States, to undertake an agenda for fiscal correction outlined in the Approach Paper. The most crucial aspect of this requires the Central Government to increase savings by around 2.9% of GDP.

17. As regards the new ways and means introduced to increase public investment in order to achieve the goals and targets of the Tenth Plan, the Ministry in their written reply have stated as under :-

“The importance of stable public investment as a component of aggregate demand and also as a facilitator of private investment has been emphasized in the Tenth Five Year Plan document. With the disinvestment and privatization process, greater focus has been on utilization of currently idle resources with the public sector undertakings to create productive capacities, even if it is by the new private ownership.

It is suggested that new institutional capacities need to be created in appropriate areas to be able to carry out the public investment programme. The example of National Highway Authority of India needs to be replicated in other infrastructural sectors. The Centre should utilize the states’ institutional capacity to raise public investments. Two initiatives have already started. These are the Accelerated Irrigation Benefit Programme (AIBP) and the Accelerated Power Development Reforms Programme (APDRP). Such programmes need to be replicated elsewhere. In addition to utilization of financial resources, the Centre should also use its food stocks for augmenting investment in rural infrastructure through programmes like the Food for Work Programme and dovetailing with the Rural Employment Generation Programme.”

18. The Committee were informed by the Secretary, Ministry of Planning during evidence as under:-

“In order to achieve the desired growth rate, the Tenth Plan has to target some fairly ambitious parameters especially in respect of domestic savings and the investment rate. In the Ninth Plan, domestic savings were 23.3 percent of GDP, which we required to increase to 26.8 percent during the Tenth Plan. The investment rate would have to go up from the 24.23 percent to 28.4 percent. Increases of this magnitude are fairly demanding and in order for us to be able to do so we have had to project what the economy is likely to do.”

19. He went on to add further:-

“the private sector, which is the dark coloured line, has increased its savings performance fairly consistently over the period. The public sector on the other hand, which is the difference between the private sector and the total and which is the orange line, turned negative from 1997-98 onwards. It is imperative that public savings be turned positive by 2004-05 if the Tenth Plan targets are to be met and this in a sense is the focal point of the resource part of the Tenth Plan. In order to achieve that sort of an increase in public savings, the revenue deficit of both the Centre and the States would have to decline quite significantly. If you notice that for the States, we have to target the revenue deficit to go down to nearly zero by the end of the Tenth Plan, but the Central Government would have a revenue deficit of marginally above 2 percent. These are what we believe to be the essential components for moving to eight percent growth target other than the resource-side that we have already talked about. This is really the crux of it that in order for us to be able to reduce the revenue deficit sufficiently and to generate public savings, it is imperative that the tax to GDP ratio of both the Centre and the States increase

Having said this, the Plan document also goes on to say that while this is very essential for reaching the targets, it is equally important that the reforms agenda which has been set out in the Plan should be achieved. If the reforms do not take place, then the Plan is certainly not going to be achieved. We have to lay more emphasis during the next five years on the reforms agenda than on the investment agenda. It is in this context that we have been talking about the priority agenda for the next year also where the Planning Commission has taken upon itself the duty of looking at what changes are required in legislation, in administrative practices, in rules and regulations, etc. to see that the investments which are taking place in the country will have the necessary output in terms of increase in GDP and other parameters.”

20. When asked about the fiscal measures suggested by the Planning Commission to ensure that savings are increased to around 29% of GDP as envisaged in the Tenth Plan, the Ministry in their reply stated as under:-

“During the Tenth Five Year Plan, savings are proposed to increase from 23.52% of GDP in 2001-02 to 29.41% by 2006-07. It is expected that this increase would come primarily from savings of the private corporate sector. As capacity utilization of this sector increases and improves its profitability and the share in GDP, the savings rate emanating from the private corporate sector is expected to rise sharply. The household sector is not expected to contribute to the increase in gross domestic savings. The public sector savings are proposed to increase from (-) 1.7% of GDP in 2001-02 to 2.1% by 2006-07.

The remaining gap is expected to be met from foreign savings mainly in terms of foreign direct investment (FDI) and foreign institutional investment (FII) apart from external assistance, external commercial borrowings and NRI deposits. The net FDI is expected to increase from US \$ 3.9 billion in 2001-02 to US \$ 7.5 billion by 2006-07 while the net FII flows are expected to increase from US \$ 5.9 billion to US \$ 13.1 billion. It is important that a conducive investor friendly climate is in place for all investments, both domestic and foreign, for ensuring increase in savings and investment.”

21. When asked about the objectives of the High Level Steering Committee on Foreign Direct Investment and the measures suggested by the Planning Commission for economic development during Tenth Plan, the Ministry in their reply have stated as under:-

“The objectives/terms of reference of the Steering Committee on Foreign Direct Investment set up in August 2001 were as follows:

- a) To suggest policy and governance reforms necessary for attracting private investment, both domestic and foreign.
- b) To identify factors which inhibit higher FDI flows and suggest remedial steps.
- c) To examine policy reforms towards mergers and acquisition for attracting FDI.
- d) To suggest changes in institutional apparatus and organizations, both in Centre and States, for attracting the FDI flows.
- e) To suggest policy reforms in Export Processing Zones for attracting higher FDI flows.
- f) To suggest policy and governance reforms to attract NRIs for making higher FDI.
- g) To examine the factors responsible for the success of other countries like China in attracting FDI and make suitable recommendations based on the experience of other successful countries.

**22. The Committee are concerned to note that there has been a fall in both domestic savings and real investment during the first year of the Tenth Five Year Plan and are of the view that unless steps are taken in the right earnest to step up these, the projected 8 percent growth as envisaged under the Tenth Five Year Plan does not seem to be feasible.**

**23. The Committee take note of the fact that revenue deficit both at centre and States level is major hurdle that came in way of public sector investments. They feel that unless corrective measures such as utilisation of idle resources available with PSUs, creation of new institutionalised capacities on the lines of National Highway Authority, utilisation of food stocks for augmenting investment in rural infrastructure, carrying on reforms agenda vigorously and creation of conducive environment to attract more and more foreign direct investments including attracting the FII's are taken, the target of public savings of 24% can not be achieved. The Committee recommend the Government to take the remedial steps expeditiously, monitor the progress and remove the bottlenecks immediately to achieve the targets.**

**24. Since the task is daunting one, the cooperation as well as sincere efforts by the entire machinery of the Government is essentially required. The Committee, therefore, desire that all Ministries/Departments/Organisations must work in liaison with each other towards achieving the targets set under the Tenth Plan. Efforts should be made by the Planning Commission to implement the plan schemes in order to ensure efficient and timely utilization of funds for development.**

## Fiscal Corrections in the Tenth Plan

25. The fiscal situation of Central Government has deteriorated continuously in 1990s and especially during the Ninth Plan. The combined balance of current revenue of the Centre and the States declined from a negative Rs. 13,324 crore in 1996-97 or 1% of GDP to negative Rs. 92,969 crore or 4.8% of GDP in 1999-2000. This has occurred because of a substantial increase in interest payments and the increased wages and salaries on account of the Fifth Pay Commission award and equally importantly because the revenue receipts of Centre as a proportion of GDP have declined from 11.3% in 1989-90 to 9.3% in 2000-01.

26. State Governments are borrowing more and more to finance non-plan revenue expenditures rather than capital expenditures. This can only lead to further worsening of the fiscal situation in the coming years. If reckless borrowing is not kept in check, some states may be forced to declare financial emergency in the 10<sup>th</sup> Plan.

27. When asked about the measures to bring down the high level fiscal deficit both at the Centre and the States level and the salient feature of the scheme of Medium Term Fiscal Reforms Plan (MTFRP), the Ministry in their written reply has stated as under :-

“The measures suggested by the Planning Commission to bring down the high level of fiscal deficit both at the Central and the State levels are –

**Revenue side:** Improving tax/GDP ratio of the Centre and the States through inclusion of services in the tax base. Removal of tax exemptions and concessions, harmonization of tax rates tightening of tax administration, and adoption of an integrated VAT regime.

**Expenditure side:** Reduction of budget based subsidies by raising user charges of departmental services, reducing expenditure by cutting administrative and establishment costs and privatization through centre's initiative. Reducing staff strength through adoption of a policy of net attrition and constituting a pension and amortisation fund to make committed payments like terminal benefits and debt servicing, self financing.



28. The salient features of the scheme of Medium Term Fiscal Reform Plan (MTFRP) are as under :

- Fiscal Reforms: Tax and non-tax revenues are projected over the next five years and incremental realizations are progressively planned. Expenditure compression, especially in salaries and wages, targeting and phasing out of non-merit subsidies from the core targets.
- Power Sector Reforms: The power sector deficit had reached 1.2% of GSDP by 1999-2000. The States have been urged to functionally unbundled the State Electricity Boards (SEB's) set up Tariff Regulatory Commissions, implement the awards of the Commission, and strive to bring down T&D losses by 5% each year. States are supposed to close the gap between average tariff realized per unit of sale and average cost of power within three years.
- PSU Reforms: States are being encouraged to close down loss making units with an adequate safety net package for workers. Disinvestments of Government's equity holding, either partially or wholly, is also being insisted upon.
- Budgetary Reforms: States have been told to make the budgets more transparent. Model format has been prescribed capturing off-budget debt such as guarantees, merit and non-merit subsidies, number of employees, and grants to grant-in-aid institutions. States are being encouraged to have in place enabling legislation capping the level of guarantees.

Planning Commission is represented in the Monitoring Committee which reviews the MTFRP of the States. The Commission is an active participant in the review meetings. Since MTFRP is not a one-off-exercise, the MTFRP's have to be revisited every year, outcomes reappraised as well as MOU process monitored. Effort is made to ensure convergence between Annual Plan/Tenth Plan estimates of States with the MTFRP projections in respect of revenues, expenditure and borrowings.

29. To stop reckless borrowings by the State Governments, Planning Commission has been giving the following suggestions from time to time:

- (a) **On the Revenue Side** – The States have been advised to revise their user charges, to improve the targeting of subsidies, to improve Own Tax Revenues through upward revision in the taxes which have a higher buoyancy and to improve the performance of the State PSUs.
- (b) **On the Expenditure side** – The States are advised to compress the expenditure by periodic review with a view to eliminate wasteful expenditure, to cut down on expenditure on fresh recruitment, to reduce staff strength through adoption of a

policy of net attrition and constitute a pension and amortisation fund to make committed payments like terminal benefits and debt servicing self financing.

- (c) While approving the Annual Plans of the States, the Planning Commission tries to adhere to the prudential limits on borrowings indicated by the Department of Expenditure under Medium Term Fiscal Reforms Plan for each State.

**30. The Committee note with serious concern that the fiscal situation both of the Centre and the States has deteriorated sharply since 1990 and especially during the Ninth Plan. The Committee find that most of the State Governments are borrowing more and more to finance non-plan revenue expenditure rather than capital expenditure and gradually they are falling into a debt trap which may further lead to worsening of the fiscal situation in the coming years. If the trend is not reversed, it is feared that some states may be forced to declare financial emergency.**

**31. The Committee view this situation very seriously and desire that the Planning Commission may play effective role by suggesting measures, required to be adopted for the efficient fiscal management in the Centre and the States.**

**32. The Committee are given to understand that the Medium Term Fiscal Reforms Plan (MTFRP) which covers major areas such as fiscal reforms, power sector reforms, PSU reforms, budgetary reforms as well as the reforms on revenue and expenditure side is already in place and the Planning Commission is also represented in MTFRP which reviews the MTFRP of the States. The Committee hope that through these monitoring and implementation of various reforms the fiscal health could improve significantly.**

**33. The Committee, therefore, urge upon the Government to get the reforms implemented by the Centre and the States. The States should also be persuaded to maintain strict fiscal discipline by improving their own resources through appropriate fiscal reforms.**

## Human Development

34. Human Development is a process of enlarging people's choices. In principle, these choices can be infinite and change over time. But at all levels of development, three essential ones are for people to lead long and healthy life, to acquire knowledge and to have access to resources needed for a better standard of living. If these essential choices are not available, many other opportunities remain inaccessible.

35. India is one of the poorest countries in the world where about 260 m people, live below the poverty line. There is evidence of substantial income disparities among states, between rural and urban areas, and among various population groups. While in India there has been a net increase in national wealth both in absolute and per capita terms, it is nonetheless necessary to investigate whether this type of economic prosperity has contributed to human development and the welfare of the masses.

36. Public policy concerns for human development are always constrained by lack of adequate resources. Besides establishing institutions and building infrastructure, the provision of basic needs requires huge investments as well as high quality administrative and managerial skills.

37. Asked about the policies framed/re-oriented and the means adopted by the Planning Commission for attainment of the objectives of the Human Development, the Ministry in their written reply have stated as under:-

“The Tenth Five Year Plan recognises that the ultimate objective of all development initiatives is human development. Economic growth cannot be the only objective of national planning, and development objectives should be specified in the broader sense of enhancement of human well-being to reflect the importance of these dimensions in development planning, the Tenth Plan in addition to the 8 percent growth target, has put forward certain additional quantifiable targets relating to poverty, employment, social and environmental indicators which is considered as being central to the attainment of the objectives of the Plan. These human development related targets of the Plan, are intimately linked to the growth objective and attainment of one may not be possible without the attainment of the others. For example, high rates of growth are essential if we want to provide a sufficient expansion of sustainable gainful employment opportunities to our expanding labour force and to ensure a sufficient increase in incomes of the poor and the disadvantaged. It is equally true that high rates may not be sustainable if they are not accompanied by a dispersion of purchasing power which can provide the demand needed to support the increase in output. Similarly, improvements

in social and environmental indicators are essential for the sustainability of the growth process while the latter provides the resources for undertaking the necessary investments for the former. It has been recognized that there are cross linkages that exist within the set of social and environmental indicators which need to be given due recognition. For instance, environmental degradation can have serious consequences on the health status of the population, while environmental protection and rejuvenation will be difficult without the awareness that is brought about through education. The strategy of development, policy imperatives and programmatic initiatives envisaged for the various sectors in the Tenth Five Year Plan reflect the human development approach as explained above.

Most of the monitorable targets of the Tenth Plan relate to significant improvements in social indicators, particularly in the areas of education, health and family welfare. These are not important in themselves, but they also have an important bearing on the achievement of the growth and employment targets. These sectors are highly employment intensive and are also perceived to be particularly suitable for providing employment to women. In most of these areas public investment will continue to be critical. However, efforts will be made to improve the quality of services.

Some of the initiatives apart from the sectoral programmes of health and education that would be implemented during the Tenth Plan which would directly enhance human development especially of the weaker sections of the people are the Pradhan Mantri Gramodaya Yojana, the restructured poverty alleviation programmes of Swarnajayanti Gram Swarozgar Yojana(SGSY), Sampoorna Gramin Rozgar Yojana(SGRY), Social Security Scheme like the National Social Assistance Programme(NSAP) and a more focused and efficient Public Distribution System(PDS). With a view of address the development of backward areas a new initiative in the form of the Rashtriya Sam Vikas Yojana (RSVY) will be operationalised in the Tenth Plan. The programme aims at development of backward areas which would help reduce imbalances, speed up development and help these areas to overcome poverty, besides facilitating the States to move up the ladder of reforms.”

38. When the Committee desired to know about the estimation of Human development index and poverty index included in their National Human Development Report, the Planning Commission in their reply have submitted as under:

“The Human Development Index(HDI) is a composite index which has been constructed to capture attainments in three basic dimensions of human development viz., economic, educational and health. The indicators taken for this purpose are per capita monthly expenditure adjusted for inequality, a combination of literacy rate and intensity of formal education, and combination of life expectancy at age one and infant mortality rate.

The Human Poverty Index(HPI) is a composite of variables capturing deprivation in three dimensions of human development viz., economic, educational and health. These have been captured by proportion of population below poverty line, proportion of population without access to safe drinking water/sanitation/electricity, medical attention at birth/vaccination and proportion living in katcha houses; proportion of illiterate population and children not enrolled in schools; and proportion of population not expected to survive beyond age 40.”

39. The Committee are pained to note that even after more than 50 years of independence, the country has not been able to achieve the required goals in regard to human development. The Tenth Five Year Plan recognises that the ultimate objective of all development is human development. Most of the monitorable targets of the Tenth Plan relate to significant improvements in social indicators, particularly in areas of education, health and family welfare.

40. Since the task is daunting one Planning Commission may direct the administrative Ministries/Departments to make effective and efficient use of the available resources for the well being of the people and pursue for improving governance for achieving monitorable targets covering economic, social and environment indicators of human development.

41. Besides, efforts should also be made to ensure sufficient increase in the income of the poor and the disadvantaged. Planning Commission should also take initiative to encourage public investment in the sectors which are most likely to create gainful employment opportunities to the labour force. Apart from these sectoral programmes of health and education should be implemented which would directly enhance human development especially for the weaker sections of the people.

42. The Committee feel that the sectoral reforms together with restructured poverty alleviation programmes delineated to uplift the poor and downtrodden sections of the society, if implemented in right earnest, are bound to produce desired results. The Committee, therefore, urge that the Planning Commission to strive hard to achieve the above goals of human development. To this end, it may involve NGOs, Vos, PRIs etc. which are more near to the people and are accessible to one and all.

**Demand No. 69**  
**Ministry of Planning**  
**Major Head : 3451**  
**Minor Head : 00.101**

**National Commission on Population**

Year	Budget Estimates	Revised Estimates	(Plan)
			Actuals
2000-2001	-	50,59,00,000	50,32,78,000
2001-2002	51,36,00,000	50,90,00,000	77,53,000
2002-2003	2,13,00,000	7,00,00,000	5,87,00,000
2003-2004	7,00,00,000	-	-

\* Upto 31<sup>st</sup> March, 2003

(Note: The Allocation of funds for the new Plan Scheme introduced by the NCP on Grants-in-aid to PRIs, NGOs, etc., allocation of funds of Rs. 5 crores for the financial year 2002-2003 was made only under the Supplementary Demands for Grants and, therefore, expenditure could be incurred during March 2003. Out of the total NCP allocation of Rs. 7 crores, an amount of Rs. 5.87 crores has been utilized during the financial year 2002-2003)

43. The Government of India has formulated a National Population Policy (NPP) 2000 which envisages achievement of replacement level fertility by 2010. In order to effectively implement the Policy, a National Commission on Population, located in the Planning Commission has been constituted on 11<sup>th</sup> May, 2000 under the Chairmanship of the Prime Minister with Deputy Chairman, Planning Commission as the Vice-Chairman. Besides, a full time Member-Secretary, there are about 125 members and permanent invitees to the National Commission on Population which include all Chief Ministers of States and Union Territories, concerned Union Ministers, leaders of political parties, Members of Parliament, representatives of NGOs, media industry and trade, health professionals and public opinion makers.

44. The terms of reference of the Commission are be as under :-

- (i) To review, monitor and give directions for the implementation of the National Population Policy with a view to meeting the goals set out in the Policy.
- (ii) To promote synergy between demographic, educational environmental and developmental programmes so as to hasten population stabilisation.
- (iii) To promote inter-sectoral coordination in planning and implementation across Government agencies of the Central and State Governments, to involve the civil society and the private sector and to explore the possibilities of international cooperation in support of the goals set out in the Policy.



(iv) To facilitate the development of a vigorous people's movement in support of this national effort.

45. When asked about the variation in budgetary allocation (Plan) during the years (2001-02 to 2003-04), the Ministry stated in their reply as under:-

“The reasons for large variation in Budgetary allocation during the years 2001-02, 2002-03 and 2003-04 are as follows: -

During the year 2000-01, at RE stage Rs. 50.00 crore was earmarked for National Population Stabilization Fund, and Rs. 50.00 crore was deposited in the Public Deposit Account, as the money could not be transferred to NPSF. Rs. 32,78,000/- was utilized by the NCP.

During the year 2001-02 Rs. 50.00 crore was earmarked for NPSF and the same was not transferred to NPSF due to non-approval of Cabinet. Rs. 77.53 lakh was utilized by the NCP.

During 2002-03 and 2003-04, no provision has been kept for NPSF.

During 2002-03 at RE stage a new scheme of Grants-in-Aid to PRIs, NGOs etc for Population Stabilization has been started for which Rs. 5.00 crore has been earmarked. Hence the hike.

In BE 2003-04, also Rs. 5.00 crore has been earmarked for the Grants-in-Aid to PRIs, NGOs etc. Rs. 2.00 crore is kept for NCP. Hence, the hike.”

46. When asked about the break-up of the expenditure incurred during 2001-02 and 2002-03, the Ministry in their written reply stated as under:-

“The break-up of the expenditure incurred during 2001-02 and 2002-2003 as follows: -

<i>(Rs. in thousands)</i>			
Sl. No.	Object Head	Actual Expenditure 2001-2002	Actual Expenditure upto Feb., 2003 (Provision)
1.	Salaries	15,00	20,57
2.	Wages	0,10	0,62
3.	Overtime Allowance	0,75	0,85
4.	Domestic Travel Expenses	7,28	7,02
5.	Foreign Travel Expenses	0,00	Nil
6.	Office Expenses	15,10	9,48
7.	Publications	7,86	1,27
8.	Other Administrative Expenses	5,15	6,79
9.	Advertising & Publicity	10,77	26,29
10.	Payment for Professional & Spl. Services	11,92	739
11.	Other Charges	3,60	129
	<b>TOTAL</b>	<b>77,53</b>	<b>81,57</b>

The short fall during the year 2000-01 was owing to the fact that the NCP was constituted in the year 2000 and budget was made available only at RE stage and there was acute shortage of staff to attend the work and also non appointment of Consultants for work of specific nature. The underutilisation during 2001-02 and 2002-03 again was owing to non-appointment of staff for NCP as the sanctioning of posts was under process with the Ministry of Finance (Department of Expenditure). As the NCP with a limited staff was occupied with the work relating to Advisory/Working Groups for examining various issues having a bearing on population stabilisation, no foreign visits could be organised for want of specific recommendations of the Working/Advisory Groups. The non receipt of their recommendations also resulted in a shortfall under Domestic Travel Expenses and other object heads such as publications. The non-availability of required number of officers and staff has been the main reason for carrying out the heavy agenda of work as per the terms of reference as stated above which consequently resulted in under utilisation of funds during the previous three years.”

47. When asked about the special allocation of funds made during Tenth Plan to implement the population policy and the role of NGOs and voluntary organizations in achieving the goals and objective of the National Population Policy, 2000, the Ministry in their written reply have stated as under:-

“The goals and objectives for the Family Welfare programme laid down in the Tenth Plan are in line with the goals set out in National Population Policy for the year 2010. The Planning Commission has provided appropriate allocations for various ongoing schemes and new initiatives of the Department of Family Welfare to operationalize the strategies to achieve these goals. The Tenth Plan outlay for Family Welfare programmes is Rs. 27,123 crores which also includes special allocation of Rs. 250 crores for the Empowered Action Group set up for effective implementation of population stabilization programmes in high fertility States.

The NGOs and Voluntary Organisations can play an important role in achieving the goals and objectives of the National Population Policy 2000. Involving the NGOs may be useful to reach out more effectively to the people. A vigorous Peoples’ movement involving civil society with the active participation of Panchayati Raj Institutions, NGOs, VOs, Self-Help Groups and Youth Clubs is necessary for the formulation and implementation of programmes crucial for early population stabilization. NGOs have valuable experience to offer and are very useful in providing services to the poor and unserved.”

48. The Committee note that the National Commission on Population (NCP) was set up on 11 May, 2000 under the Chairmanship of Prime Minister and Deputy Chairman, Planning Commission as Vice-Chairman alongwith 125 members and permanent invitees primarily to review, monitor and give directions for the implementation of the policies and programmes relating to population stabilization set out in the National Population Policy. They consider that the National Commission has a major role to play in respect of stabilisation of population in the country. They note with disgust that not to speak of engaging the consultants and professionals even sufficient staff has not been provided/recruited in the Commission so far. This shows apathy of the Government towards the important issue of national importance. They are given to understand that the funds allocated for the NCP remained underutilized. The Committee deplore the Government's casual approach in this regard and hold that the anticipatory action/measures should have been taken well in advance. They also recommend that adequate staff must be put in place so that NCP becomes fully functional in true sense. At the same time they further desire that Budgetary allocations as far as possible should be made realistically.

49. The Committee desire that there should be active participation of Panchayati Raj institutions, NGOs, VOs, self help groups and the youth club for achieving the goals and objectives of the National Population Policy, 2000. They, however, caution the Government to be selective while engaging the NGO, VOs etc.

## Employment Perspective

50. The Tenth Five Year Plan aims at provision of gainful employment to the entire addition of labour force. However, certain recent trends in employment situation, and the emerging trends in the working age population make this task difficult.

51. Access to gainful employment is an essential condition for citizens to exercise their economic rights in a market democracy. Granted that the requisite political will is forthcoming, the goal of full employment is certainly achievable. This will require a reorientation of national priorities, technology policy and government action.

52. When asked about the plan proposed by the Planning Commission for creation of employment opportunities while formulating Tenth Five Year Plan, the Ministry in their written reply have stated as under:-

“Tenth Plan envisages that 30 million employment opportunities will be generated in the normal growth process assuming an 8% GDP growth rate per annum during the Tenth Plan. Tenth Plan also envisages that 20 million more employment opportunities will be generated through changes made in policies in favour of, and by taking up labour intensive activities like greening the country, medicinal plants, ethanol plantation, waste land development, agriculture development, small and medium enterprises, tourism, education and health etc. The total employment generation is thus estimated to be 50 million during the Tenth Plan. Sector wise estimates of creation of employment opportunities are given in the table below:

**Table: The Estimates of potential job opportunities in different sectors**

(in millions)

	Total Additional Job opportunities created over the Tenth Plan (million)		Total Incremental (Million)
	Growth based	Programme based	
Agriculture including National Watershed Development Project for Rainfed Areas (NWDPA), Farm Management Programme, Agro Clinics, Greening India Programme, Watershed and Wasteland Development, Medicinal Plant, Bamboo Development and Energy Plantation like Ethanol etc.	0.41	9.06	9.47
Mining & Minerals	-0.20		-0.21

Manufacturing (Excl. Prime Minister's Rozgar Yojana (PMRY) and Rural Employment Generation programme (REGP))	1.42 (large Manufacturers) 6.00 (SSI)		1.42  6.00
Electricity, Gas & Water	-0.21		-0.21
Construction	6.30		6.30
Trade, Hotels & Restaurants	11.23		11.23
Transport, Storage & Communications	5.51		5.51
Financial Sector	1.93		1.93
Community Sector	-2.71	3.20	0.49
Special Programmes*			
Prime Minister's Rozgar Yojana (PMRY)(SSI) REGP (KVIC)		2.20	2.20
Sampoorna Gramin Rozgar Yojana (SGRY)		2.00	2.00
Pradhan Mantri Gram Sadak Yojana (PMGSY) & Swarna Jayanti Gramin Swarozgar Yojana (SGSY)		1.29	1.29
		0.77	0.77
		0.80	0.80
Total	29.67	19.32	48.99 (Approx.49-50)

53. When asked about the various schemes under implementation for the rural workforce youth who are not getting employment, the Ministry in their reply have stated as under:-

"The current year estimate of youth employment is not available, although in 1999-2000 the rural youth unemployment rate is 11% which is higher than the average unemployment rate of 7.1% in rural areas in that year.

Prime Minister's Rozgar Yojana (PMRY) has been under implementation from 2<sup>nd</sup> October 1993. Under the scheme, self-employment opportunities are provided to educated unemployed youth (18-35 years of age), both in rural as well as in urban areas. The PMRY, implemented by the Ministry of Agro and Rural Industries, makes institutional finance available to educated unemployed youth for setting up of business/industrial ventures.

Since the inception of PMRY in 1993-94, against the target of 1.8 million beneficiaries (1993-94 to December 2001), 1.868 million

beneficiaries were sanctioned loans and Rs.8,402 crore was disbursed to 1.433 million beneficiaries.

In the year 2002-03, the allocation for PMRY was Rs.200 crore and for 2003-04, allocation is Rs.191.25 crore. The number of beneficiaries under this scheme is 2.77 lakh in 2000-01 and 2.25 lakh in 2001-02 (anticipated). Target for 2002-03 is 3 lakh beneficiaries.

The rural youth are eligible for benefits under special employment programmes, implemented in rural areas like Sampoorna Gramin Rozgar Yojana (SGRY) & Swarna Jayanti Gram Swarozgar Yojana (SGSY).

Besides the above programmes, the Tenth Plan lays emphasis on vocational training and skill building so that rural youth can avail of the new employment opportunities.”

54. The Secretary during oral evidence while elaborating employment opportunities per year over the Tenth Plan Period stated as under:

“ During the course of the Tenth Five-Year Plan, 35 million people are estimated will be added to the labour force. The eight per cent growth scenario will contribute only 30 million employment opportunities. Eight per cent growth will emphasis on employment intensive sectors and programmes should yield 50 million employment opportunities, which is what has been targeted for the Tenth Plan.

The employment intensive sectors are essentially agriculture and related sectors, small and medium enterprises, information communication technology and other selective services. We also believe that tourism plays a central role as an important source of demand for many of these services in the economy which are very employment intensive.”

55. When asked about the recommendations of the Task Force on Employment Opportunities set up under the Chairmanship of Shri Montek Singh Ahluwalia, the Ministry in their written reply has stated as under:-

“The Special Group on Targeting 10 Million Employment Opportunities per year over the Tenth Plan Period was set up under the Chairmanship of Dr. S.P. Gupta, Member, Planning Commission. The terms of reference of the Group included examination of report of Task Force on Employment Opportunities. The Special Group examined the recommendations of the Task Force on Employment Opportunities in detail. The Special Group submitted its report in May, 2002 incorporating the relevant recommendations of the Task Force. Specific references to the recommendations of the Task Force are included in the Report of the Special Group

The Special Group identified sectors/sub-sectors with employment potential like agriculture, including social forestry, animal husbandry, fishing, horticulture and related areas and small and medium industries,

construction, tourism, information technology, financial sector, education and health.

Specific sections of the report of the Special Group on Targeting 10 Million Employment Opportunities per year over the Tenth Plan Period are incorporated in the Tenth Five Year Plan. Copies of both the reports (the Report of the Special Group on Targeting 10 Million Employment Opportunities per year over the Tenth Plan Period and Report of the Task Force on Employment Opportunities) are placed in the Parliament Library.”

**56. The Committee find that a number of employment schemes like PMRY, SGRY, SGSY are under implementation to generate either self employment opportunities for educated youth or providing employment to the workforce. They also find that special emphasis has been laid in the Tenth Plan to create 50 million employment opportunities (30 million in normal growth process and 20 million through policy changes by taking labour intensive activities).**

**57. Though, the Committee appreciate the setting up of Special Group on Targeting 10 million employment opportunities per year over the Tenth Plan period they are not very optimistic about achieving the targets. They are of the view that unless public investment in infrastructure and other labour oriented activities is increased, no significant improvement is going to happen . They therefore, suggest that efforts should be made to increase public investment in the sectors which provide sufficient employment opportunities such as agriculture, irrigation including forestry, animal husbandry, fishing, horticulture, small and medium enterprises, information communication technology and other services. The Committee further suggest that Tenth Plan must emphasise on vocational training and employment oriented courses which are likely to generate self employment opportunities.**



## Education

58. Out of approximately 200 million children in the age group 6-14 years, only 120 million are in schools and net attendance in the primary level is only 66% of enrollment. The Sarva Shiksha Abhiyan, which has been launched to achieve the objective of “ Education for All” indicates a strong reiteration of the country’s resolve to give the highest priority to achieve this goal during the Tenth Plan period.

59. When asked about the policies framed by the Planning Commission to achieve the objectives of “Education For All”, the Ministry in their written reply have stated as under:-

“The thrust areas in the Ninth Five Year Plan included *Universalisation of Elementary Education* (UEE), full adult literacy, raising the quality of education at all levels and improving learner achievement. Elementary education has been given the highest priority reiterating country’s strong resolve to achieve the goal of *Education For All* (EFA). This has been sought to be achieved through several measures including amendment to the Constitution of India making elementary education as a fundamental right, decentralisation of planning, supervision and management of education through local bodies, social mobilisation for adult literacy, developing a stronger partnership with Non Governmental Organisations (NGOs) and provision of opportunities for non-formal and alternative education for out-of-school children in the most backward areas and for unreached segments of the population.

Basically, the national administrative and policy framework for the Tenth Plan has been guided by the following concerns:

- ❖ The national resolve to provide free and compulsory education of satisfactory quality to all children up to the age of 14 years, as stipulated in the National Policy on Education;
- ❖ The 93rd Constitutional amendment making the right to elementary education a fundamental right and enforcing it through necessary statutory measures; and
- ❖ The spirit of the 73rd and 74th Constitutional amendments setting the stage for greater decentralization of power and a significantly enhanced role for local bodies, community organisations as well as voluntary agencies in the efforts towards UEE.

The Sarva Shiksha Abhiyan (SSA) is a flagship of the elementary education striving to achieve the goal of universalisation of elementary education through target-oriented approach. The objectives of SSA is to have all children in schools, Education Guarantee Scheme centers, alternate schools, back-to-school camps by 2003; all children to complete five years of primary schooling by 2007; all children to complete eight years of schooling by 2010; focus on elementary education of satisfactory quality with emphasis on education for life; bridge all gender and social disparities at the

primary stage by 2007 and the upper primary level by 2010; and universal retention by 2010.

An integrated approach to literacy is being followed in the revised National Literacy Scheme. The new approach envisages integration of the activities of basic teaching-learning with post-literacy activities to ensure a smooth transition from Total Literacy Campaign (TLC) to post-literacy programmes. The scheme for continuing education provides a learning continuing education to the efforts of total literacy and post-literacy programmes with main thrust on learning opportunities to neo literates. Voluntary organizations have been given an active role in the literacy movement supported by 100% assistance for imparting literacy to adult non-literates, organizing vocational and technical programmes for neo literates, provision of academic and technical resource support to state resource centers. The focus is on the districts, which have literacy below 30%.

Presently, about 424 districts are covered under Total Literacy Campaign and in post literacy phase - Continuing Education programmes, 152 districts are covered. A special focus is on the promotion of literacy among women, SCs/STs and Other Backward Classes. The National Literacy Mission's (NLM) objective is to attain a sustainable threshold level of 75% literacy and it would integrate literacy with vocational and technical skill along with income generation and quality of life improving schemes."

60. As regards the recommendations made by the Steering Committee on Secondary and Higher and Technical Education set for the Tenth Five Year Plan, the Ministry in their written reply have stated as under:-

The Steering Committee on Secondary, Higher and Technical Education for the Tenth Five Year Plan made the following recommendations, inter-alia, for the respective sectors.

### **Secondary Education:**

The key issue during the Tenth Plan would be continuing focus on improving access; reducing disparities, renewal of curricula with emphasis on Vocationalisation and employment oriented courses; expansion and diversification of the open learning system; reorganisaiton of teacher training and the greater use of new information and communication technologies, particularly computers.

### **Higher Education:**

Some of the important issues in Higher Education which need to be highlighted for taking corrective action in the Tenth Plan, inter alia, include

(i) low coverage of student population in the Higher Education system in general, regional imbalances and abysmally inadequate coverage of the socially and economically disadvantaged groups in particular (ii) imperative need to bring greater qualitative improvement in Higher Education (iii) need to make Higher Education interventions relevant to the socio-economic requirements of the country (iv) better financial management in the universities and colleges by adopting a two-pronged drive, viz., augmentation of internal and external resources and effecting economy in expenditure.

### **Technical Education:**

The key issues in Technical and Management Education during the Tenth Plan would be on Strategic Planning and Management of Education Systems, Quality Dimensions, Quantitative Dimensions, Development of Human Resources in IT and other emerging technology areas.

The Planning Commission has suggested no fundamental changes in the structure and organization of the Secondary and Higher Secondary Education System. The on-going programmes of the Secondary, Higher Secondary Education sector are in line with the National Policy on Education (NPE) of 1986 and the Programme of Action (POA) of 1992. In the Tenth Plan, there will be a continuing focus on improving access; reducing disparities, renewal of curricula with emphasis on Vocationalisation and employment oriented courses; expansion and diversification of the open learning system; reorganization of teacher training and the greater use of new information and communication technologies particularly computers.

61. As regards making elementary education a right of all citizen the Secretary of Planning during evidence submitted that:

“As far as social sectors are concerned, the most important steps, I think, this country has taken in the recent years is to make elementary education a right of all citizens, which is sought to be implemented through Sarvshiksha Abhiyan. But in doing so, we have to remember that five years down the road, the out-turn from the elementary stream is going to be demanding secondary education, and therefore, if we do not start creating those facilities now, we may get ourselves into a situation where we are inadequately prepared for the demands that we face from the education system. In addition, higher education system and the vocational stream also need to be strengthened considerably. So, education as a whole is going to require a fair amount of resources and is going to require new ways of improving its functioning.”

**62. The Committee find that overall literacy situation still continues to be a matter of great concern though a major initiative has been taken under Sarvashiksha Abhiyaan to achieve the objective of 'Education for all' by providing primary schooling by 2007 and eight years of schooling by 2010. The Committee welcome the move and suggest that efforts should be made to provide useful and quality elementary education to all children in the 6-14 age group. Equally important is to raise the level of adult literacy which can be effectively obtained with the help of local bodies and NGOs for management and supervision.**

**63. The Committee further suggested that efforts may also be made to enhance technical education both vocational and professional for generating sufficient employment opportunities and greater use of science and technology. The Committee are of the view that special attention should be given to University and higher education to maintain high standards of education and additional funds should be provided for the qualitative improvement in higher education. Fundamental changes wherever required should be made in the structure and organization of secondary and higher education system.**

## Demand No.69

### Ministry of Planning Object Code 31 Grants-in-Aid

64. Grants-in-Aid under the plan section of Institute of Applied Man Power Research (IAMR) is for the purpose of taking up studies on topics of current interest to Planning Commission and infrastructural development at Narela campus. Grants-in-aid to Universities and Research Institutes is provided for carrying out research studies including subsidies, if any, for publication of the findings of such research study, organizing seminars and workshops and for institution development. Under UNDP assistance, grants-in-aid is provided to State Governments for capacity building for State Human Development Reports. NCP has introduced a new scheme for providing grants-in-aid to PRIs/NGOs, VOs and organisations and institutions in the field of population stabilisation.

65. Budgeted allocation under this Head are as follows:-

Year	Budget Estimates	Revised Estimates	Actuals
2000-2001	10,08,00,000 only plan	55,14,00,000 only plan	55,03,18,000
2001-2002	66,91,60,000	56,43,60,000	5,73,48,000
2002-2003	9,42,00,000	12,09,00,000	1,46,50,675 (Factual)
2003-2004	10,90,00,000	-	-

66. In Planning Commission Grants-in Aid is given for the following purposes:

- (i) Grants-in-aid by NCP to PRIs, NGO etc. for Population Stabilisation
- (ii) Grants-in-aid to IAMR for taking up studies on topic of current interest to Planning Commission.
- (iii) Grants-in-aid to IAMR for Infrastructural Development at Narela Campus.
- (iv) Grants-in-aid to Universities Research Institutions etc. for taking up Research Institutions etc. for taking up Research studies conducting seminars etc.
- (v) Grants-in-aid to State Governments for preparation of State Human Development Reports (UNDP)

67. Explaining the reasons for variation either between Budget Estimates and Revised Estimates or between Revised Estimates and Actuals, the Ministry have submitted as under:-

“In 2000-2001, at RE stage a provision of Rs. 50.00 crore was kept for NPSF, hence the hike in RE.

In 2001-2002 also provision of Rs. 50.00 crore was kept for NPSF. Rs. 50.00 crore was surrendered at RE stage, hence, the decline in actuals.

During 2002-2003 no provision was kept for NPSF hence, the decline. The RE for 2002-2003 is Rs. 12,09,00,000/- i.e. (Rs. 12.09 crore).”

68. While furnishing the reasons for sharp increase in funds at RE stage under Grants in aid during 2000-2001 the Ministry stated as under:

“During 2000-2001 at RE stage, a provision of Rs.50.00 crore has been kept on Seed Money for NPSF and Rs. 50.00 crore was kept for the same purpose during 2001-2002.”

69. In response to another query regarding underutilization of budgetary allocation particularly for the year 2001-2002 the Ministry furnished as under:

“During the year 2001-2002 though a provision of Rs. 50.00 crore was kept for NPSF Seed Money, due to non approval of Cabinet the fund was surrendered.”

70. In their brief summary regarding Grants-in-aid to IAMR for infrastructural development of Narela Campus on Demands for Grants the Ministry have stated as under:

“An amount of Rs. 3.50 crore has been allocated during 2003-04 as Grants-in-aid to IAMR for balancing of infrastructure at Narela Campus.

The IAMR has set up a new Campus at Narela for its independent, academic, training, research activities and consultancy services. The provision for the year 2003-04 is to meet infrastructure requirements such as Computer Networking, Furniture, Air-Conditioning Plant and Maintenance at the Narela Campus.

The Institute has a plan scheme for construction of office cum residential complex at Narela. The scheme has been implemented and the construction of the new campus is almost completed.

It is proposed to develop the infrastructure at new campus and SFC proposal balancing of infrastructure at the new campus is under consideration in the Planning Commission.

71. The allocation of fund to IAMR under capital section for Plan Budget for the year from 2000-01 to 2002-03 is given below:

Year	Rs. (lakh)			Change over previous year (%)		
	BE	RE	Actual	BE	RE	Actual
2000-01	894	400	400	(-)19.20	(+)100.00	(+)387.80
2001-02	1500	500	432.09	(+)67.79	(+)25.50	(+)8.02
2002-03	750	499	499.00*	(-)50.00	(-)0.20	(+)15.49

The actual expenditure during 2000-01 to 2002-03 were within the BE and RE provision but there were no shortfall of fund against actual release BE was revised downward because delay in approval of architectural designs by DDA and consequently start of construction activity of the Building. Approval of the new new scheme "balancing of infrastructure facility at Narela" proposed during 2001-02 could not be obtained.

Under Capital Section, Grants-in-aid have been released to IAMR to carry out construction of the new Campus at Narela to build up the research capabilities of IAMR. The cost of the project was Rs. 16.00 crore and an amount of Rs. 14.67 crore has been released till 31.3.2002. Remaining balance of Rs. 1.33 crore has been released in 2002-03.

The demand under Plan Capital for the year 2003-04 is nil as it has been shifted to Revenue Section on the advice of Ministry of Finance and an amount of Rs. 3.50 crore has been provided for balancing of infrastructure at Narela Campus.

**Grants-in-aid Scheme:** A new scheme on grants-in-aid to PRIs/NGOs, Vos, and organisations and institutions in the filed of population stabilisation has been approved with a total outlay of Rs, 24.5 cores for the 10<sup>th</sup> Plan. The outlay of Rs. 5 crores for this new scheme for the current financial year 2002-03 has been received at a fag end of this financial year. The various project proposals received from NGOs etc. are being processed and they have to pass through the strict procedure of desk appraisal., Planning Commission's views/comments, report of the field monitors and, thereafter, consideration by the Sanctioning Committee. It is however, anticipated that the entire amount of Rs. 5 cores would be utilised during the CFY. The BE for 2003-04 is proposed at Rs. 5.00 crores."

**72. The Committee find that an outlay of Rs. 50 crore was made during 2000-2001 and a provision of the same amount was kept in 2001-02 for 'Seed Money for NPSF'. However, the amount could not be utilised and had to be surrendered due to non approval of the scheme by the Cabinet.**

**73. The Committee fail to understand as to why huge allocations were made consecutively for two years for such a scheme which was yet to be approved by the Cabinet. They, therefore, desire that budgetary exercise should be undertaken with due seriousness.**



## Panchayati Raj Institutions

74. It has been advocated in the wake of first round of devolution through the 73<sup>rd</sup> /74<sup>th</sup> Constitutional Amendment that PRI should be provided with revenue raising powers of their own in order to reduce their excessive dependence on the State and Central Governments. Today the PRIs hesitate to levy and collect taxes, as they prefer the soft option of receiving grants from GOI. It has further been advocated to strengthen accountability of the local bodies and their standing committees. Help to evolve a code of conduct for all the functionaries.

75. When asked about the document which would detail the task to be performed and the responsibilities to be discharged by the Centre, the State governments and Panchayati Raj Institutions during the Tenth Five Year Plan, the Planning Commission in their written reply have stated as under:-

“The Planning Commission had set up a Task Force on Panchayati Raj Institutions (PRIs) to evolve modalities to ensure that programmes pertaining to 29 subjects listed in the XIth Schedule of the Constitution, implemented by the Government, were brought within the purview of the PRIs. The Task force submitted its Report in December, 2001 giving a blue-print for functional demarcation between the three tiers of the PRIs and the role that could be performed by the Central Ministries and State Governments. The Task force Report has been circulated to the Central Ministries / Departments and State Governments to take appropriate action. In addition, Planning Commission set up a Working Group on Decentralized Planning and PRIs for formulation of the Tenth five Year Plan. The recommendations of the Working Group have been incorporated in the Tenth Plan document. The Planning Commission would be monitoring implementation of the recommendations as part of its Action Plan in the current and subsequent years of the Tenth Plan.”

76. As regards the harmonious and symbiotic relationship between the voluntary sector and Panchayati Raj Institutions to enable them to work more effectively and the efforts made to improve transparency, accountability and efficiency in the working of Panchayati Raj Institutions, the Ministry in their written reply stated as under:-

“Though the Panchayats in the country had existed before the enactment of 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Act, the Panchayats set up under State Acts lacked effective powers. The voluntary sector played a major role in community mobilisation providing technical support to the community for developmental projects especially in certain areas. Voluntary Organisations (VOs) played a major role in health and education.

With the setting up of Panchayats empowered under the Constitution, in many places a conflict of interest arose between the Panchayats and the VOs as they occupied the same space. The Planning Commission has continuously emphasized that VOs have to recognize the fact that PRIs are now the third tier of governance in the country and VOs must work closely with the PRIs. The PRIs have also to recognize the fact that VOs could assist them in areas which continue to be weak in the PRIs set up. It is necessary for PRIs and the VOs to evolve a harmonious relationship in order to serve the community better. The training programmes conducted by the Government emphasise the need for such cooperation. However, as Panchayats gather more experience, it is expected that they would be in a better position to appreciate the role of the VOs in strengthening the capabilities of the Panchayats.

An All India Conference on the Role of Voluntary Sector in National Development was organized on 20th April 2002. Recommendations / suggestions of the aforesaid All India Conference have been forwarded to all States / UTs and on the above point, inter-alia, following has been recommended;

“To create transparency and accountability in the working of the VOs and to bring about mutually supportive functional relation between the VOs and the PRIs, Gram Sabhas and stakeholders may be informed periodically in a public forum about any project activity of VOs in the respective areas. The district authorities should also be kept fully informed about details of project and assistance provided to the VOs by the Government. For better coordination, the representatives of VOs be taken on PRI Committees and vice versa.”

In order to bring about greater transparency and accountability in the functioning of the PRIs the govt. has taken a number of steps. State Governments have been requested to issue necessary instructions to empower Gram Sabhas, to ensure enforcement of peoples' right to information and to provide access to records of works being executed by the Panchayati Raj Institutions. The State Governments have also been advised to adopt a four-pronged approach, viz. public awareness regarding programmes that are being implemented, transparency, participation of rural people in execution of works and Social Audit by the Gram Sabhas. In addition, there are Vigilance and Monitoring Committees to supervise the execution of the works of Rural Development Schemes. The concept of the right to information as enacted in Rajasthan and few other States is essential for greater transparency and accountability. Social audit is not only limited to development works; dissatisfaction of the gram Sabha about the PRI performance and corrective action by the gram Sabha in terms of “right to recall” as provided for by the Madhya Pradesh could be adopted by other State Governments to act as a deterrent to check the abuse of power by elected representatives.

The recommendation of the eleventh finance Commission that the Comptroller and Auditor General of India (C&AG) may be entrusted with the

responsibility of exercising control and supervision over proper maintenance of accounts and their audit for all the tiers / levels of Panchayats has been accepted by the Central Government. Report of the C&AG relating to Audit of Accounts of the Panchayats is to be placed before a Committee of the State Legislature constituted on the same lines as the Public Accounts Committee.

The Government is of the firm opinion that empowerment of the Gram Sabha is the only solution for ensuring transparency and accountability of the Panchayati Raj Institutions. The Government is, therefore, actively pursuing empowerment of Gram Sabhas.”

77. Explaining the empowerment of Panchayati Raj Institutions the representatives of the Ministry of Planning during the oral evidence stated:

The Prime Minister has also announced the setting up of four empowered sub-committees of the NDC to oversee four major areas of reform during the Tenth Plan period. These areas are governance reforms, removal of inter-state barriers to trade, creating an investor-friendly climate and empowerment of Panchayati Raj institutions. As the Secretariat to the NDC, the Planning Commission will necessarily have to play a major role in assisting all these sub-committees.”

78. The Committee are aware that in a decentralized planning, Panchayati Raj Institutions (PRIs) play an important role. The Committee find that the Panchayats had been in existence even before the enactment of 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts, but lacked effective powers. The powers were devolved on the PRI through constitutional amendments. To make the Panchayats more responsive, the Committee note that the Planning Commission had set up a task force on PRIs to evolve modalities to ensure that programmes pertaining to 29 subjects listed in XI Schedule to the Constitution come within the jurisdiction of the PRIs. They, however, regret to note that PRI's hesitate to levy and collect local taxes for their functioning. They instead prefer the soft option of receiving grants from Government of India. The Committee therefore, strongly recommend that the PRIs should be asked to raise their own resources by levying of local taxes etc. for meeting the expenses on their functioning. Further, to make them more responsive, their functioning may be made transparent and accountable. The Committee feel that the four pronged approach viz. public awareness, transparency, participation of rural people and social audits by Gram Sabhas, advised to the State Governments for adoption is in the right direction and should be pursued vigorously. In addition, the execution of work should also be monitored by vigilance and Monitoring Committees from time to time. .

79. The Committee feel that the voluntary organisations could play an important role in this regard. They feel that these VOs may act in tandem with PRIs for ensuring better co-ordination and achieving desired results.

**NEW DELHI;**  
09 April, 2003  
19 Chaitra, 1925 (Saka)

**N. JANARDHANA REDDY**  
Chairman,  
Standing Committee on Finance

STATEMENT OF CONCLUSIONS /RECOMMENDATIONS OF THE STANDING  
COMMITTEE ON FINANCE IN THE FORTY-FORTH REPORT (2003-2004)

Sl. NO.	Para No.	Ministry/Department Concerned	Conclusion/Recommendation
1.	12, 13, 14	Ministry of Planning	<p>The Committee find that the overall performance of the economy has seriously suffered during Ninth Five Year Plan and registered an average growth rate of 5.5% against the projected rate of 6.5%. The shortfall in agriculture and manufacturing sectors, public investment, inability to use the capacity utilisation, global slowdown, Kargil war, natural calamities are stated to be the reasons for not attaining the targets.</p> <p>The Committee are pained to note that as per the advance estimate released by the Central Statistical Organisation (CSO) the rate of growth is estimated to be 4.4 percent of GDP for the first year of the 10<sup>th</sup> Plan i.e. 2002-03 against the average growth rate of 8 percent perceived during the plan period. The Committee are given to understand that the main reasons for slow growth during the year (2002-03) was due to drought conditions resulting in agriculture sector facing negative growth of 3.1%. They believe that negative growth rate in agriculture sector may not be the only reason for such a dismal performance. Instead, they apprehend that other sectors might have also registered a negative growth rate. The Committee also express their apprehension that since during the first year of the Tenth Plan there has been slippage in the average growth rate, it might not be possible to achieve the target of 8 percent till the GDP grow at an average growth rate of 8.9% per annum during the remaining four years of the plan.</p> <p>The Committee would like to know the actual growth rate (sector wise) achieved during first year of the Tenth Plan and the corrective measures taken/proposed to be taken to accelerate the growth rate during the remaining 4 years of the plan. They are of the view that unless constraints/deficiencies in the system are identified and corrective measures taken, the targets are difficult to achieve. They are</p>

2            22,23,24        Ministry of Planning

given to understand that an agenda for the same is under preparation in which Planning Commission has been entrusted a major role to play. They want the Government to finalise the agenda expeditiously and put a monitoring agency in place who will review the progress made on quarterly basis.

The Committee are concerned to note that there has been a fall in both domestic savings and real investment during the first year of the Tenth Five Year Plan and are of the view that unless steps are taken in the right earnest to step up these, the projected 8 percent growth as envisaged under the Tenth Five Year Plan does not seem to be feasible.

The Committee take note of the fact that revenue deficit both at centre and States levels is major hurdle that came in way of public sector investments. They feel that unless corrective measures such as utilisation of idle resources available with PSUs, creation of new institutionalised capacities on the lines of National Highway Authority, utilisation of food stocks for augmenting investment in rural infrastructure, carrying on reforms agenda vigorously and creation of conducive environment to attract more and more foreign direct investments including attracting the FII's are taken, the target of public savings of 24% can not be achieved. The Committee recommend the Government to take the remedial steps expeditiously, monitor the progress and remove the bottlenecks immediately to achieve the targets.

Since the task is daunting one, the cooperation as well as sincere efforts by the entire machinery of the Government is essentially required. The Committee, therefore, desire that all Ministries/Departments/Organisations must work in liaison with each other towards achieving the targets set under the Tenth Plan. Efforts should be made by the Planning Commission to implement the plan schemes in order to ensure efficient and timely utilization of funds for development.

3            30, 31, 32,    Ministry of Planning  
              33

The Committee note with serious concern that the fiscal situation both of the Centre and the States has deteriorated sharply since 1990 and especially during the Ninth Plan. The Committee find that most of the State Governments are borrowing more and more to finance non-plan revenue expenditure rather than capital expenditure and gradually they are falling into a debt trap which may further lead to worsening of the fiscal situation in the coming years. If the trend is not reversed, it is feared that some states may be forced to declare financial emergency.

The Committee view this situation very seriously and desire that the Planning Commission may play effective role by suggesting measures, required to be adopted for the efficient fiscal management in the Centre and the States.

The Committee are given to understand that the Medium Term Fiscal Reforms Plan (MTFRP) which covers major areas such as fiscal reforms, power sector reforms, PSU reforms, budgetary reforms as well as the reforms on revenue and expenditure side is already in place and the Planning Commission is also represented in MTFRP which reviews the MTFRP of the States. The Committee hope that through these monitoring and implementation of various reforms the fiscal health could improve significantly.

The Committee, therefore, urge upon the Government to get the reforms implemented by the Centre and the States. The States should also be persuaded to maintain strict fiscal discipline by improving their own resources through appropriate fiscal reforms.

4.            39, 40, 41,    Ministry of Planning  
              42

The Committee are pained to note that even after more than 50 years of independence, the country has not been able to achieve the required goals in regard to human development. The Tenth Five Year Plan recognises that the ultimate objective of all development is human development. Most of the monitorable targets of the Tenth Plan relate to significant improvements in social indicators,

particularly in areas of education, health and family welfare.

Since the task is daunting one Planning Commission may direct the administrative Ministries/Departments to make effective and efficient use of the available resources for the well being of the people and pursue for improving governance for achieving monitorable targets covering economic, social and environment indicators of human development.

Besides, efforts should also be made to ensure sufficient increase in the income of the poor and the disadvantaged. Planning Commission should also take initiative to encourage public investment in the sectors which are most likely to create gainful employment opportunities to the labour force. Apart from these sectoral programmes of health and education should be implemented which would directly enhance human development especially for the weaker sections of the people.

The Committee feel that the sectoral reforms together with restructured poverty alleviation programmes delineated to uplift the poor and downtrodden sections of the society, if implemented in right earnest, are bound to produce desired results. The Committee, therefore, urge that the Planning Commission to strive hard to achieve the above goals of human development. To this end, it may involve NGOs, Vos, PRIs etc. which are more near to the people and are accessible to one and all.

5. 48, 49 Ministry of Planning

The Committee note that the National Commission on Population (NCP) was set up on 11 May, 2000 under the Chairmanship of Prime Minister and Deputy Chairman, Planning Commission as Vice-Chairman alongwith 125 members and permanent invitees primarily to review, monitor and give directions for the implementation of the policies and programmes relating to population stabilization set out in the National Population Policy. They consider that the National Commission has a major role to play in respect of stabilisation of population in the country. They note with disgust that not to speak of engaging the consultants and



professionals even sufficient staff has not been provided/recruited in the Commission so far. This shows apathy of the Government towards the important issue of national importance. They are given to understand that the funds allocated for the NCP remained underutilized. The Committee deplore the Government's casual approach in this regard and hold that the anticipatory action/measures should have been taken well in advance. They also recommend that adequate staff must be put in place so that NCP becomes fully functional in true sense. At the same time they further desire that Budgetary allocations as far as possible should be made realistically.

The Committee desire that there should be active participation of Panchayati Raj institutions, NGOs, VOs, self help groups and the youth club for achieving the goals and objectives of the National Population Policy, 2000. They, however, caution the Government to be selective while engaging the NGO, VOs etc.

6. 56, 57 Ministry of Planning

The Committee find that a number of employment schemes like PMRY, SGRY, SGSY are under implementation to generate either self employment opportunities for educated youth or providing employment to the workforce. They also find that special emphasis has been laid in the Tenth Plan to create 50 million employment opportunities (30 million in normal growth process and 20 million through policy changes by taking labour intensive activities).

Though, the Committee appreciate the setting up of Special Group on Targeting 10 million employment opportunities per year over the Tenth Plan period they are not very optimistic about achieving the targets. They are of the view that unless public investment in infrastructure and other labour oriented activities is increased, no significant improvement is going to happen. They therefore, suggest that efforts should be made to increase public investment in the sectors which provide sufficient employment opportunities such as agriculture, irrigation including forestry, animal husbandry, fishing, horticulture, small and medium enterprises,

information communication technology and other services. The Committee further suggest that Tenth Plan must emphasise on vocational training and employment oriented courses which are likely to generate self employment opportunities.

7. 62, 63 Ministry of Planning

The Committee find that overall literacy situation still continues to be a matter of great concern though a major initiative has been taken under Sarvashiksha Abhiyaan to achieve the objective of 'Education for all' by providing primary schooling by 2007 and eight years of schooling by 2010. The Committee welcome the move and suggest that efforts should be made to provide useful and quality elementary education to all children in the 6-14 age group. Equally important is to raise the level of adult literacy which can be effectively obtained with the help of local bodies and NGOs for management and supervision.

The Committee further suggested that efforts may also be made to enhance technical education both vocational and professional for generating sufficient employment opportunities and greater use of science and technology. The Committee are of the view that special attention should be given to University and higher education to maintain high standards of education and additional funds should be provided for the qualitative improvement in higher education. Fundamental changes wherever required should be made in the structure and organization of secondary and higher education system.

8. 72, 73 Ministry of Planning

The Committee find that an outlay of Rs. 50 crore was made during 2000-2001 and a provision of the same amount was kept in 2001-02 for 'Seed Money for NPSF'. However, the amount could not be utilised and had to be surrendered due to non approval of the scheme by the Cabinet.

The Committee fail to understand as to why huge allocations were made consecutively for two years for such a scheme which was yet to be approved by the Cabinet. They, therefore, desire that

budgetary exercise should be undertaken with due seriousness.

9. 78, 79 Ministry of Planning

The Committee are aware that in a decentralized planning, Panchayati Raj Institutions (PRIs) play an important role. The Committee find that the Panchayats had been in existence even before the enactment of 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts, but lacked effective powers. The powers were devolved on the PRI through constitutional amendments. To make the Panchayats more responsive, the Committee note that the Planning Commission had set up a task force on PRIs to evolve modalities to ensure that programmes pertaining to 29 subjects listed in XI Schedule to the Constitution come within the jurisdiction of the PRIs. They, however, regret to note that PRI's hesitate to levy and collect local taxes for their functioning. They instead prefer the soft option of receiving grants from Government of India. The Committee therefore, strongly recommend that the PRIs should be asked to raise their own resources by levying of local taxes etc. for meeting the expenses on their functioning. Further, to make them more responsive, their functioning may be made transparent and accountable. The Committee feel that the four pronged approach viz. public awareness, transparency, participation of rural people and social audits by Gram Sabhas, advised to the State Governments for adoption is in the right direction and should be pursued vigorously. In addition, the execution of work should also be monitored by vigilance and Monitoring Committees from time to time.

The Committee feel that the voluntary organisations could play an important role in this regard. They feel that these VOs may act in tandem with PRIs for ensuring better co-ordination and achieving desired results.

**MINUTES OF THE NINTH SITTING OF STANDING COMMITTEE ON FINANCE**

The Committee sat on Wednesday, 26 March, 2003 from 1100 to 1615 hours.

**PRESENT**

**Shri N. Janardhana Reddy – Chairman**

**LOK SABHA**

46. Shri Raashid Alvi
47. Shri Ramesh Chennithala
48. Smt. Renuka Chowdhury
49. Shri Trilochan Kanungo
50. Shri Rattan Lal Kataria
51. Dr. C. Krishnan
52. Shri Sudarsana E.M. Natchiappan
53. Capt. Jai Narain Prasad Nishad
54. Shri Rupchand Pal
55. Shri Prakash Paranjpe
56. Shri Raj Narain Passi
57. Shri Pravin Rashtrapal
58. Shri Ramsinh Rathwa
59. Shri Kirit Somaiya
60. Shri Kharabela Swain
61. Shri Sudip Bandyopadhyay

**Rajya Sabha**

62. Shri Murli Deora
63. Shri Prithviraj Chavan
64. Shri M. Rajasekara Murthy
65. Dr. Biplab Dasgupta
66. Shri Palden Tsering Gyamtso

**SECRETARIAT**

1. Dr. (Smt.) P.K. Sandhu - Joint Secretary
2. Shri R.K. Jain - Deputy Secretary
3. Shri S.B. Arora - Under Secretary

**Part – I**

**Witnesses**

**Ministry of Planning**

1. Shri N.K. Sinha, Secretary, Planning Commission

2. Smt. Jyotsna Khanna, Principal Adviser
3. Shri V. Lakshmi Ratan, Principal Adviser
4. Shri Manteshwar Jha, Principal Adviser
5. Smt. Krishna Bhatnagar, Principal Adviser
6. Shri S.P. Arya, Pr. Adviser
7. Smt. Reva Nayyar, Adviser (SP-NE)
8. Shri P.S.S. Thomas, Adviser (HUD)
9. Dr.(Smt.) Premaramachandran, Adviser (Health)
10. Shri Gautam Basu, Addl. Secretary & FA
11. Dr. Ahmed Masood, Adviser (RD)
12. Dr. (Smt.) Rohini Nayyar, adviser (RD)
13. Dr. Pronab Sen, Adviser (PP)
14. Shri Surya P. Sethi, Adviser (Energy)
15. Dr. N.J. Kurian, Adviser (FR)
16. Shri A.Sekhar, Adviser (WR)
17. Shri Shailendra Sharma, Adviser (LEM)
18. Shri S.P. Pal, Adviser (Evaluation)
19. Dr. Rajan S. Katoch, JS (SP & Admn.)
20. Sh. B.N. Puri, Adviser (Transport)
21. Shri S.S. Batra, Adviser (MLP, DRF)
22. Shri R.C. Jhamtani, Adviser (Industry)
23. Dr.R. Mandal, Adviser (E&F)
24. Shri L.P. Sonkar, Adviser (Coal & Minerals)
25. Shri V.K. Bhatia, Adviser (C&I)
26. Km. Gurjot Kaur, Adviser (PC)
27. Shri G.B. Panda, Adviser (SD&WP)
28. Ms. L.N. Tochwang, Director (Finance)
29. Shri R.K. Chandolia, Director (PC)
30. Shri G.P. Grover, Dy. Secretary (Admn.)

#### **OFFICERS FROM NATIONAL COMMISSION ON POPULATION**

1. Smt. Krishna Singh, Member Secretary (NCP)
2. Shri V. Asokan, Joint Adviser (NCP)

3. Shri R.K. Parmar, Under Secretary (NCP)

2. At the outset, the Chairman welcomed the representatives of Ministry of Planning to the sitting of the Committee and invited their attention to the provisions contained in Direction 55 of the Directions by the Speaker.

3. The Committee then took oral evidence of the representatives of the Ministry of Planning on Demands for Grants (2003-04) of the Ministry of Planning and other related matters.

4. Thereafter, the Chairman requested the representatives of Ministry of Planning to furnish notes on certain points raised by the Members to which replies were not readily available with them during the discussion.

5. The evidence was concluded.

6. A verbatim record of proceedings has been kept.

*The witnesses then withdrew*

**MINUTES OF THE TENTH SITTING OF STANDING COMMITTEE ON FINANCE**

The Committee sat on Wednesday, 09 April, 2003 from 1500 to 1550 hours.

**PRESENT**

Shri. N. Janardhana Reddy – Chairman

**MEMBERS**

**LOK SABHA**

2. Shri Ramesh Chennithala
3. Shri Trilochan Kanungo
4. Shri Rattan Lal Kataria
5. Shri Sudarsana E.M. Natchiappan
6. Shri Rupchand Pal
7. Shri Prabodh Panda
8. Shri Ramsinh Rathwa
9. Shri T.M. Selvaganapathi
10. Shri Lakshman Seth
11. Shri Kirit Somaiya
12. Shri Kharbela Swain

**RAJYA SABHA**

13. Dr. Manmohan Singh
14. Shri Prithviraj Chavan
15. Shri Swaraj Kaushal
16. Shri Praful Patel
17. Shri Dinesh Trivedi

**SECRETARIAT**

1. Shri P.D.T. Achary - Additional Secretary
2. Dr. (Smt.) P.K. Sandhu - Joint Secretary
3. Shri R.K. Jain - Deputy Secretary
4. Shri S.B. Arora - Under Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Chairman also welcomed Shri Swaraj Kaushal on his nomination as a member of the Committee.

3.	XX	XX	XX	XX
	XX	XX	XX	XX
4.	XX	XX	XX	XX
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5. XX XX XX XX  
XX XX XX XX

6. Then they took up for consideration the draft report on the Demands for Grants (2003-2004) of the Ministry of Planning and adopted the same without any amendment.

7. XX XX XX XX  
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8. XX XX XX XX  
XX XX XX XX

9. The Committee authorised the Chairman to finalise the Reports in the light of modifications as also to make verbal and other consequential changes arising out of the factual verification and present the same to both the Houses of Parliament.

The Committee then adjourned.



