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## What price populism

In a way, the MP Area Development Scheme virtually amounts to state funding of elections, says Uttam Gupta

**E**VEN as the finance ministry is cutting budgetary support to the central plan outlay by a whopping Rs 5000 crore to contain the fiscal deficit, there is absolutely no check whatsoever on funding of populist schemes. One of these is the MP Local Area Development Scheme which is now in the second year of its operation.

An amount of Rs 790 crore was spent under this head during 1994-95. The Expenditure Budget for 1995-96 also makes a provision of an equivalent amount. But the FM's speech maintains a studied silence on the objects and reasons of the scheme, detailed operational guidelines, implementation mechanisms, mode of funding, monitoring, review and evaluation, etc.

What could be the end use of the funds allocated to the MPs? Reportedly, he is expected to recommend a scheme for implementation by the concerned district authorities. The next key question relates to the mechanics of disbursement of the funds? Does the department of rural development/programme implementation release the funds to the MP first and, then, the latter makes these available to the concerned district administration? Or the MP merely forwards his recommendation to the department and the latter directly channels funds to the concerned district authorities?

The second possibility is unlikely as this will unavoidably involve routing of funds through the state which is clearly unacceptable to the MP. In fact, it has been made abundantly clear that the MP need not even consult the state authorities in finalising the scheme and implementation modalities. There is absolutely no question of the MP parting with the flexibility and freedom of action which is unavoidable if funds are routed through the state.

Quite clearly, the Union government places the funds at the disposal of the MP who, in turn, functions as an independent authority enjoying all the discretion in formulating and implementing schemes and utilisation of the funds. He may seek the support and assistance of the district administration or may even go without it. However, it is the sole prerogative of the MP to decide on the extent of involvement/coordination with the district authorities.

How and in what may the MP is expected to contribute to the development of the constituency? For any development effort to be meaningful, it should be based on the assessment of the local requirements, availability of resources and, above all, identification of a viable scheme. Assuming that the MP is best equipped to undertake these functions, we need to consider that in the present inflationary situation an amount of Rs 1 crore per constituency is peanuts for worthwhile development.

May be, instead of taking up fresh schemes, the funds at the disposal of

ies should concentrate on providing a conducive policy environment to the private sector and the latter will be too keen to come on its own.

In sharp contrast, a backward constituency needs substantial infusion of funds to facilitate its development. Compared to these, Rs 1 crore pales into insignificance. Consequently, it is got to make any dent on the ground situation.

The timing of release of these funds makes it unlikely that the funds disbursed to the MPs under the scheme will at all be spent for area development. For

gearing up for the ensuing general elections, these funds will come handy in furthering their prospects at the hustings. In a way, authorisation of expenditures under the MP Area Development Scheme with enormous discretionary powers will virtually amount to state funding of elections.

If that be the latent reality and there is a general consensus that the MPs are generally handicapped at the time of elections, then let that be done in an open and transparent manner. Let it be categorically recognised that the financial allocations from the Union budget meant for helping the parliamentarians and not for the development and welfare of people of the constituencies they represent.

When the scheme was initially launched, there was practically no indication that it will be perpetual. With its continuation during the current year, it seems to have acquired a degree of permanency. Clearly, this would mean substantial additional burden on the union budget — at a time, when government finances are already under serious strain.

The underlying premise of the MP area development scheme is questionable. Already, there are several schemes like the Integrated Rural development programme (IRDP), Jawahar Rozghar Yojana and other special rural development programmes which seek to achieve the same objectives i.e. asset creation, employment generation and improvement in income, as contemplated under the MPs scheme. Likewise, there are a number of programmes/schemes for augmenting the social infrastructure e.g. health, education and child care. Rather than adding more to the list and creating parallel centres of authority, the emphasis should be on reforming and rationalising the existing administrative set-up to achieve the best results from the ongoing schemes.

Moreover, what we need to recognise is that the problem is not so much due to inadequate availability of funds. It is mainly due to improper use of funds, sometimes even misuse. The political establishment needs to concentrate on tackling this aspect and give to MPs/MLAs/MLCs the necessary mandate to work for improvement in these areas. Indeed, that would be contribution to fostering area development in the real sense of the term.

the MP could be used for supplementing ongoing schemes of the district administration by making up the shortfall in availability of resources with the latter. Are we then saying that the MP parts with his funds for subserving a cause for which he does not directly get the credit? Your guess is as good as mine.

While uniformly allocating funds, there is need to recognise that parliamentary constituencies represent a wide spectrum from backward to highly advanced areas. There is absolutely no logic in allocating funds to MPs in the latter category. While some pockets may need special attention, their development should be taken care through ongoing programmes. Alternatively, the authorit-

instance, during 1994-95, the funds were made available to MPs towards the end of the year. During the current year also, while Rs 390 crore were released in July 1995, the balance of Rs 400 crore is likely to be disbursed towards the end of the year.

In this scenario, what kind of development work could be taken up? You cannot expect the MPs to spend the money in advance and seek reimbursement of the expenditure at the end of the year. There is thus a distinct possibility of the funds remaining unspent. All the more so, when there are no guidelines governing their use, no monitoring mechanisms and no accountability fixed.

With majority of the sitting MPs

