CHAPTER 5
FEDERAL DYNAMICS OF FLAGSHIP PROGRAMMES

India is among the fastest growing economies. India spends huge sums on social and economic services to alleviate poverty, fight hunger, build infrastructure, meet minimum basic needs, raising incomes, reducing disparities and achieving inclusion. The Constitution of India, through Directive Principles of State Policy and Union, State and Concurrent Lists, has made the centre and the state governments constitutionally empowered to work for welfare and development of the country and its masses. Both the centre and state governments perform development and welfare functions independently by initiating programmes, projects, schemes etc. However, in the financial architecture of the country, the centre is stronger than the states financially. For this reason, the centre helps the states by transferring financial resources.\(^1\) The central government spends money on development of the country and it includes both plan and non-plan expenditure. The plan expenditure is that expenditure which is incurred on development schemes, projects and programmes through Five Year Plans prepared by the Planning Commission. It also includes central assistance to states for their plans.\(^2\) The expenditure “which does not come under the purview of the Planning Commission is called non-plan expenditure. This includes both developmental and non-developmental expenditure.”\(^3\) The non-plan expenditure is incurred on matters which are not covered under Five Year Plans. It is essential for routine functioning of the government and it includes “interest payments on government debt, expenditure on organs of the state such as the judiciary and the police and even expenditure on the maintenance of existing government establishments such as schools and hospitals.”\(^4\)

Table 5.1 displays average and compound growth rates (CGR) of expenditure on economic and social services and total planned development expenditure during 6 years

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1. For details on types of Central Assistance to States see Chapter 1, pp. 1-2.
each of National Democratic Alliance (NDA) i.e. 1998 to 2004 and United Progressive Alliance-I (UPA) from 2004-2010.\textsuperscript{5}

The planned expenditure of the central government on social as well as economic services was more than double during the term of the UPA government compared to term of the NDA government. Similarly, total planned development expenditure on development was not only higher but also increased sharply when the UPA government was in power. Due to higher Gross Domestic Product (GDP) and higher level of inflation could have caused increase in development expenditure during the reign of the UPA government.

Table 5.1: Planned Development Expenditure during NDA & UPA (in crores)

<table>
<thead>
<tr>
<th>NDA</th>
<th>Year</th>
<th>Economic Services</th>
<th>Social Services</th>
<th>Total Development Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>NDA</td>
<td>1998-99</td>
<td>543.75</td>
<td>146.56</td>
<td>1372.57</td>
</tr>
<tr>
<td></td>
<td>1999-00</td>
<td>609.56</td>
<td>172.21</td>
<td>1291.51</td>
</tr>
<tr>
<td></td>
<td>2000-01</td>
<td>717.31</td>
<td>176.79</td>
<td>1393.86</td>
</tr>
<tr>
<td></td>
<td>2001-02</td>
<td>808.68</td>
<td>151.30</td>
<td>1593.64</td>
</tr>
<tr>
<td></td>
<td>2002-03</td>
<td>1038.20</td>
<td>220.07</td>
<td>1841.97</td>
</tr>
<tr>
<td></td>
<td>2003-04</td>
<td>1080.71</td>
<td>238.59</td>
<td>1954.28</td>
</tr>
<tr>
<td></td>
<td>Six-Year Average of NDA</td>
<td>799.70</td>
<td>184.25</td>
<td>1574.63</td>
</tr>
<tr>
<td></td>
<td>CGR During NDA</td>
<td>15.85</td>
<td>9.00</td>
<td>8.84</td>
</tr>
<tr>
<td>UPA</td>
<td>2004-05</td>
<td>1150.30</td>
<td>299.06</td>
<td>2149.55</td>
</tr>
<tr>
<td></td>
<td>2005-06</td>
<td>1330.53</td>
<td>382.64</td>
<td>2290.60</td>
</tr>
<tr>
<td></td>
<td>2006-07</td>
<td>1427.72</td>
<td>437.62</td>
<td>2557.18</td>
</tr>
<tr>
<td></td>
<td>2007-08</td>
<td>1729.55</td>
<td>616.48</td>
<td>3256.70</td>
</tr>
<tr>
<td></td>
<td>2008-09</td>
<td>2732.22</td>
<td>897.97</td>
<td>4713.99</td>
</tr>
<tr>
<td></td>
<td>2009-10</td>
<td>3044.40</td>
<td>1026.28</td>
<td>5282.42</td>
</tr>
<tr>
<td></td>
<td>Six-Year Average of UPA</td>
<td>1902.45</td>
<td>610.0</td>
<td>3375.07</td>
</tr>
<tr>
<td></td>
<td>CGR During UPA</td>
<td>22.89</td>
<td>29.57</td>
<td>21.80</td>
</tr>
</tbody>
</table>


Therefore, it is argued that the UPA government was more committed to development than the NDA government which is reflected in the expenditure on social and economic services; and total planned development. Figure 3.1 confirms the analysis of trend in expenditure during the tenures of both the governments. It also indicates that the centre continued to spend increasingly higher amount of expenditure on planned development.

\textsuperscript{5} The total planned development expenditure shown above includes other sectors such as Agriculture, however, expenditure on economic and social services have been shown differently to lay emphasis.
development during the entire decade. However, from 1990-91 to 2009-10, the share of states in social sector expenditure has declined from 85% in 1990-91 to 70% in 2009-10. Similar trend has been witnessed in the rural development where states’ share has gone down to 44% by 2007-08 from 64% in 1990s.6

Figure 5.1: Planned Expenditure by the NDA & the UPA Governments (in crores)


However, on the contrary the share of states in urban development expenditure has risen over the period of 1990 to 1998-99 and remaining stagnant thereafter. On overall basis the centre’s expenditure on urban development has seen rise by 4 times, while, states’ expenditure has swelled by only 2 and 1/2 times, thus, showing the faster centralisation has taken place during the span of 1999-2008 that correspond to terms of the NDA and the UPA-I.7 In monetary terms extent of rise of centralisation in terms of expenditure of the central government is Rs. 946.4 billion in 1998 to Rs. 2328.2 billion in 2008. 8 It is argued that ushering of economic reforms have increased centralisation.

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8 Ibid.
Besides, allocating money to its own development initiatives, the central government also transfers financial resources to the states to encourage them to undertake development programmes and policies for people. The resources are given to the states in the form of grants and loans. Grants are part of the non-tax revenue of the states received from the centre as assistance. The grants are routed through Central Schemes, Centrally Sponsored Schemes (CSSs) and Additional Central Assistance (ACA). The CSSs are fully or partly funded by the centre. The financial assistance to the states is given by the centre through Constitutional mandate i.e. Finance Commission awards and through the Executive decisions i.e. through Planning Commission and Central Ministries. On different times, the states have expressed their reservations against such transfers, however, the most controversial remains the transfer by the central ministries which are discretionary and programme specific in nature.

Table 5.2: Central Transfers to States under CSSs & Grants (in crores)

<table>
<thead>
<tr>
<th>NDA</th>
<th>Budget Year</th>
<th>CSSs</th>
<th>Grants</th>
<th>Net Transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998-99</td>
<td>5930</td>
<td>23480</td>
<td>72790</td>
</tr>
<tr>
<td></td>
<td>1999-2000</td>
<td>6970</td>
<td>30180</td>
<td>61570</td>
</tr>
<tr>
<td></td>
<td>2000-01</td>
<td>7130</td>
<td>37290</td>
<td>69660</td>
</tr>
<tr>
<td></td>
<td>2001-02</td>
<td>8340</td>
<td>42600</td>
<td>77180</td>
</tr>
<tr>
<td></td>
<td>2002-03</td>
<td>8650</td>
<td>45170</td>
<td>71710</td>
</tr>
<tr>
<td></td>
<td>2003-04</td>
<td>9840</td>
<td>50830</td>
<td>102980</td>
</tr>
<tr>
<td>Six Year Average of NDA</td>
<td>7810.0</td>
<td>38258.33</td>
<td>75981.67</td>
<td></td>
</tr>
<tr>
<td>CGR During NDA</td>
<td>10.00</td>
<td>16.03</td>
<td>6.77</td>
<td></td>
</tr>
<tr>
<td>UPA</td>
<td>2004-05</td>
<td>10390</td>
<td>56320</td>
<td>101030</td>
</tr>
<tr>
<td></td>
<td>2005-06</td>
<td>13310</td>
<td>76750</td>
<td>157580</td>
</tr>
<tr>
<td></td>
<td>2006-07</td>
<td>17430</td>
<td>94450</td>
<td>192680</td>
</tr>
<tr>
<td></td>
<td>2007-08</td>
<td>21870</td>
<td>108620</td>
<td>247300</td>
</tr>
<tr>
<td></td>
<td>2008-09</td>
<td>25890</td>
<td>129920</td>
<td>279120</td>
</tr>
<tr>
<td></td>
<td>2009-10</td>
<td>25880</td>
<td>150970</td>
<td>303010</td>
</tr>
<tr>
<td>Six Year Average of UPA</td>
<td>19128.33</td>
<td>102838.33</td>
<td>213453.33</td>
<td></td>
</tr>
<tr>
<td>CGR During UPA</td>
<td>21.40</td>
<td>20.92</td>
<td>23.74</td>
<td></td>
</tr>
</tbody>
</table>


Table 5.2 shows transfers of resources through CSSs and grants by the centre to the states. It is evident from the data that net transfers declined compared to previous year twice during the NDA first in 1999-2000 then in 2002-03, while, for all other years the net transfers from the Centre to States have progressively grown. It can be seen that there was growth of 10% in spending on CSSs during tenure of the NDA government and on contrast, during period of the UPA government, it shot by 21% (approx.). In case of transfer of grants to states, the UPA government better. During the NDA government’s span, grants to the states moved up by two times in contrast to three times during reign of the UPA government’s 6 years. Figure 3.2 shows the consistent and sharp rise in transfers under CSSs, grants, and net transfers during the UPA term as compared to the NDA term.

**Figure 5.2: Central Transfers to States During NDA & UPA (in crores)**

![Graph showing central transfers to states during NDA & UPA](image)


Despite the enormous spending by the central and state governments, the impact of the development initiatives particularly flagship programmes (FPs) has not been satisfactory and leaves much to be desired. Certain sections of the population, which have remained traditionally deprived, are still not able to reap benefits of the development programmes as is put in the following words:
There is widespread agreement amongst academics, practitioners and policymakers in India today that available data categorically shows that development outcomes across sectors are consistently differential and disproportionately worse for certain groups, that is, Scheduled Castes and Scheduled Tribes, women, and minority community when compared with the mainstream.\textsuperscript{11}

Besides, differential impact of FPs, there is a problem of overlap in FPs which means programmes with same nature and objectives are being implemented by different ministries and departments leading to spending inefficiencies and lack of coordination. The government tried to address the issue of overlap of FPs through convergence of programmes, for instance, in 1989 the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP) were merged to launch unified wage employment programme with the name of Jawahar Rozgar Yojana (JRY). The use of smart cards and Direct Benefit Transfer (DBT) has been mooted to help better targeting and curbing of benefits reaching only the intended and genuine individuals or sections.\textsuperscript{12} The development programmes of the Centre as CSSs has suffered tremendously in terms of deficiencies of various sorts in their design, criteria of allocation of funds to the states and pattern of funding, implementing guidelines and monitoring. All such issues have affected the centre-state relations over the time. The succeeding part of the chapter throws discusses concerns of the centre and the states regarding the implementation of FPs.

\textbf{STATES’ CONCERN AND CRITICISM OF FLAGSHIP PROGRAMMES}

The FPs are conceived, designed, formulated and launched by the centre. The state governments implement FPs with the help of various departments and agencies. The centre issue guidelines to the states and other implementing agencies along with criteria of selecting beneficiaries and utilising funds meant for different FPs and activities to be undertaken in them. The states have been raising their concerns with regard to growing number of FPs, lack of flexibility in utilisation of funds as well as in implementation activities. The FPs adds to burden of the states which are poor in


\textsuperscript{12} Ibid: 246.
financial resources. Following are the main concerns of the states with respect to FPs of the central government.

**Burden of Matching Share**

The state governments have dual responsibility of allocation of financial resources for development. The states set aside funds for their own development activities while also mandatorily contribute to FPs and other CSSs of the central government. The contribution from states is in the form of matching share in FPs and CSSs of the central government and share of the states vary from programme to programme which is generally from low of 10 percent to high of 50 per cent in some programmes. “The contribution of the States in CSS was generally 50 per cent in the 1980s, but was reduced to 25 per cent in the 1990s in view of the difficult fiscal situation of the States.” The system of matching share adds to the financial burden of the state governments. The financial condition of the states can be realised from the fact that “many state governments are near bankruptcy after paying the large recurring bills of salaries and pensions” and they have to repay the loans and interest on them to the central government and other lending agencies. The state governments resent ever increasing burden on them which leaves paltry sums with them to pursue development as per their needs and priorities. Under the recently recommended mechanism, the provision has been made that “for each new CSS/ACA/flagship scheme, at least 25 per cent of funds would have to be contributed by the non-special category states and 10 per cent of funds by the special category states.”

**Strict Guidelines of Programmes**

Every FP has a set of guidelines to be followed by the states and the implementing agencies. The guidelines are revised periodically to make adjustments with the changing conditions and to resolve problems coming into way of implementation as also to increase efficiency to meet objectives and achieve targets.

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The guidelines of the schemes and programmes are mostly uniform for all the states and the UTs. Quite often, the guidelines do not take into account geographical, climatic, cultural, and societal variations among states. The guidelines offer little flexibility to states to mould programme according to local conditions of the district or block. This factor of inflexibility in the guidelines leads to inefficiency of states and their implementing agencies that result into the poor performance of many FPs. The strict guidelines leave little space for states to pursue their priorities. There must be flexibility in the guidelines and norms of FPs that suits the requirements of the states who are responsible for the implementation.

**Lack of flexibility in fund utilisation and carrying out activities**

Every programme carries its own norms of fund utilisation and procedure of carrying out different development activities mandated under the programme. The funds can be used only for the prescribed activities and states can use funds of particular programme on only the activities mentioned in the guidelines. “Transfers under the CSS are relatively inflexible, bound by the provisions and guidelines attached to individual schemes.”\(^{16}\) The states or their implementing agencies have to utilise funds only in the manner prescribed in the operational guidelines of the programme. Only the designated officials are authorised to withdraw money and use it. Not only the states rather different districts and blocks differ geographically, demographically and developmentally so they have different requirements and priorities which are difficult to pursue in the wake of strict norms of funds utilisation. The states find this to be a big disincentive. Another problem is related to proportion of funds that can be used for a particular activity in the programme beyond which states cannot spend on that component. As a result, the problem cannot be addressed properly by carrying out activity with limited funds and it amounts to wastage of public money. The central government issued guidelines in January 2014 to keep 10 per cent of the funds in all CSSs (and FPs) as ‘flexi funds’ at the disposal of the states. However, it is half of suggested ‘flexi fund’ limit of 20 per cent.\(^{17}\)

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Different Pattern of Fund Transfers by the Centre

There are various ways to transfer funds to states for implementation of different programmes. In some development programmes the funds are sent to state treasury from where these are sent to district or block level implementing agencies for spending at village or ward level (PMGSY). While in some programmes funds are routed directly to implementing agencies at district level such as a District Rural Development Agencies (DRDA) and other independent societies which are controlled by the state government such as Sarv Shiksha Abhiyaan Societies for SSA. However, over the time “the central government has steadily increased funding and number of CSSs, with a dominant share of this funding going straight to district administration, bypassing the state government and placing the district bureaucracy somewhat directly under the central government.”18 The situation has become such that “a substantial proportion of the assistance (over 70 per cent) is disbursed to the DRDA and implementing agencies, bypassing the state budgets.”19 The states raise objections to this system of differential routing of funds. The states want funds under all programmes to be sent to state treasury and then the state will route it to district agencies. It will increase accountability and better implementation of programmes. The funds transferred in this manner are accounted in the state budget and hence can be audited by the Comptroller and Auditor General of India (CAG). The Reserve Bank of India observes the advantages of the transfer of the central funds to state Treasury in the following words:

While the agency route reduces the time delay in the agencies receiving the funds, it also dilutes the responsibility of the states in ensuring proper utilisation of the funds as these are not transferred through the state budgets. Under the restructured scheme, the entire financial assistance to the states for CSSs will be routed through their consolidated funds from the fiscal year 2014-15 and not directly to DRDAs or through other independent agencies, as is done at present. The states will, therefore, be in a better position to monitor the funds flow under the CSSs. It will also enable the states to effect convergence of schemes run by the state governments and the central government. At the same time, this will

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require the state governments to put in place an effective fund transfer mechanism to ensure that funds to the lowest utilising organisational level, i.e., the panchayats, reach with minimum delay.\textsuperscript{20}

**Parallel Bureaucracy Add to Poor Quality of Human Resource in States**

In India, the public administration works at the central, the state and the district level through bureaucracy. Besides existing bureaucracy, FPs of the central government has created parallel bureaucracy particularly at the district level. Most of the recruitment for execution of FPs is made on contractual basis and appointments are made on political grounds, low salaries of the personnel, lack of dedication among staff and conflict with regular bureaucracy affect the implementation of FPs. The low salary of the staff also tends to increase corrupt practices. This scenario creates poor quality of human resource in the states which severely impacts efficiency and performance of FPs. As a result, objectives and targets of FPs are not met completely. It proves to be drain on financial resources of the central and state governments.

**Lack of Maintenance Funds**

The allocation of funds for FPs and CSSs. However, the funds are not allocated for maintenance of the created assets or infrastructure. The states are not financially sound to earmark funds for upkeep or repair of utilities created under FPs. The central ministries in the states and the Planning Commission do not pay heed to this aspect while designing the programmes. The assets created under CSSs in the states are put to disuse after some years, thus, defeating the purpose and objective of the programmes.\textsuperscript{21} The infrastructure so erected do not serve any good to masses for them it is built. Both the centre and the states should jointly address this issue and one way can be to earmark some proportion of funds from the central allocation and matching grant of the states for maintenance purposes.


\textsuperscript{21} Nirmal Singh, “The Flagship Development Programmes in Border Areas: A Study of Implementation of BDP and MGNREGA,” (paper presented at Seminar on Socio-Economic Development in Border Areas: Challenges and Prospects organised by School of Social Sciences, Guru Nanak Dev University on September 7-8, 2012.)
Lack of Consultation with States before launch of FPs

The states often complain that the FPs and CSSs are imposed on them without any consultation by the centre with them. The states are the most important stakeholders because they are tasked with implementation of the programmes. They also contribute pre-specified matching grant to implement CSSs. The states resent this attitude of the centre to not consult the states at any stage from conceiving, designing, formulation and commencement of the CSSs. This aspect disturbs federal fabric and develops strain in centre-state relations. To address the issue, all the states must be consulted at all stages of FPs i.e. from conception to launch of programmes. Thus, the concerns and problems of the states and implementing agencies can be addressed advance in the conception and design level of the programme itself. It can also facilitate inclusion of the requirements of the states keeping in view their geographical, developmental and demographical diversities. It will ensure more cordial and participatory environment for better and effective implementation of the programmes.

Multiplicity of FPs and CSSs

The CSSs have been in operation in the country since independence but many of them “were initiated in the first part of the 1970s” and since then “these schemes have continued to date, albeit with mergers, restructuring and reincarnations, due to their political utility to the government. Successive changes in government at the center have not only continued with these interventions but added to them, leading to proliferation and multiplicity.”\(^{22}\) The large number of FPs and other CSSs and their ever growing list bother the states of the country. The increasing number of the FPs not only add financial burden on States but also put strain on human and administrative resources of the states. “Despite repeated calls for consolidating and rationalizing these schemes, CSS have continued to proliferate and in 2001 there were 360 schemes in operation. The CSS subsume most narrowly defined, direct poverty targeted programs, but also include several that are less directly targeted though they are explicitly aimed towards improving welfare of the poor.”\(^{23}\)


\(^{23}\) Ibid: 3.
There was major problem with CSSs that their number kept on rising after every Five Year Plan till Ninth Five year Plan as is shown in table 5.3. During Ninth Plan the number of CSSs rose to 360, however, efforts of the centre and complaints of the states bore fruits during Tenth Plan when their number dropped to less than half at 155 which further declined to 147 CSSs during Eleventh Plan. The BK Chaturvedi Committee recommended slashing number of CSSs to 59 during 12th Plan by restructuring of CSSs that involves merging identical schemes and integrating other schemes as also transferring CSSs with small budgets to State Plans.\textsuperscript{24} The expenditure on CSSs has been growing phenomenally since 9th Five Year Plan. The CSSs expenditure rose to more than double from 9th to 10th Plan i.e. from 99,001.68 crore to 229,763.14 crore respectively. The number of CSSs decreased but expenditure on them has been increasing since Ninth Plan in absolute terms as well as percentage of expenditure on CSSs to gross budgetary support (GBS).

Table 5.3: Number of CSSs and Expenditure in Five Year Plans (amount in crores)

<table>
<thead>
<tr>
<th>Five Year Plan</th>
<th>GBS</th>
<th>No. of CSSs</th>
<th>Expenditure on CSSs</th>
<th>Percentage of Expenditure on CSSs to GBS</th>
<th>Central Assistance to States &amp; UTs</th>
<th>% of Central Assistance to GBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ninth</td>
<td>3,16,286.00</td>
<td>360</td>
<td>99,001.68</td>
<td>31.30 %</td>
<td>1,38,394.00</td>
<td>43.75 %</td>
</tr>
<tr>
<td>Tenth</td>
<td>5,94,649.00</td>
<td>155</td>
<td>229,763.14</td>
<td>38.64 %</td>
<td>2,03,117.00</td>
<td>34.15 %</td>
</tr>
<tr>
<td>Eleventh</td>
<td>15,88,273.24</td>
<td>147</td>
<td>660,506.00</td>
<td>41.59 %</td>
<td>3,97,418.93</td>
<td>25.02 %</td>
</tr>
<tr>
<td>Twelfth</td>
<td>59*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Total of 59 CSSs recommended by the Chaturvedi Committee.

In the Eleventh Plan, it became almost three times compared to Tenth Plan. However, reverse relationship has come to be seen between normal assistance to states which has been on decline and expenditure on CSSs which has been steadily rising as

table 3.3 presents in percentages. In the Twelfth Five Year Plan, the UPA government has reduced total number of CSSs to 66 from 147. Now onwards all new development programmes would fall into three categories recommended by the Chaturvedi Committee i.e flagship schemes, sub-sectoral schemes and sector umbrella schemes.25 It has to be seen whether successive governments can keep number of CSSs as less as has been done in Twelfth Plan.

‘One-Size-Fits-for-All’ Approach

The states differ from one another on many bases such as ruling party, culture, societal traditions, caste structure, geographical variations, industrial development, poverty level, standard of living, health and education levels. The states vary in many aspects and therefore, the centre should apply a common yardstick to all the states by implementing a single programme uniformly. A programme suitable to one or more states may not suit interests and requirements of the other states. Prof. Arvind Panagariya argues that ‘same medicine for all’ approach cannot be successful as states have different development demands and requirements. He gives examples of Uttar Pradesh and Bihar which may need large amount of electric power than Rajasthan and Haryana which require more water as they face water scarcity.26 This approach of the centre is detrimental to Indian federal structure as it is not in the interests of the states, hence, it should be discontinued. It proves to be disincentive for all those states which are at disadvantage because of this ‘One-Size fits all Approach’. Therefore to involve all states effectively in ensuring development and welfare of people of the country as whole on equal basis, it is utmost essential for centre to consult all states during all stages of CSSs from drafting to launch. The states should be given financial freedom to carry out a short term activities within the mandate of FPs or other CSSs to meet their development requirements. It will promote participatory development among the states.

ISSUES AND CONCERNS OF THE CENTRE

The explicit motive of the centre behind starting FPs is welfare and development of masses and areas along with encouraging states to contribute in the development in

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their areas. The implicit objective can be to have direct influence on voters who would vote for the party running the government at the centre. The FPs are implemented uniformly in all the states and the UTs. However, all the states are not politically similar as some are single party ruled, some are ruled by the national parties, other are ruled by the state level parties, while some others are the Left-ruled states. In this way, political heterogeneity prevails in the country which affect implementation of FPs as there are different party (ies) ruling at the Centre and in the states. Due to this situation, following issues arise in the course of implementation of FPs for the centre:

**Political Interference in Implementation of FPs**

There are different party governments in the states. Within states there is political diversity in the sense that in some villages or municipal wards and assembly constituencies elected political representatives belong to national political parties like Congress and the Bharatiya Janata Party (BJP) while in other areas such representatives are members of regional political parties. In some case, the elected village level or municipal wards representatives belong to different political party than that of Member of Legislative Assembly (MLA) or Member of Parliament. Besides above, within the particular area vote bank and supporters are awarded by the ruling party with the benefits while other people perceived as voters or supporters of other parties are ignored or are not given full benefits. The political interference starts from identification of the beneficiaries by panchayat president and members for programmes particularly in which financial transfers are involved. Due to politics at village level genuine and deserving beneficiaries are not selected rather party supporters or kins are accommodated to pass on benefits. Since there is no cross checking, so such corrupt practices go on with impunity leading to ignorance of deserving beneficiaries from getting benefits. Consequently, the desired impact of the programmes on the developmental problems of the areas and people gets evaded. There must be foolproof mechanism to check such ill-intended activities.

**Lack of Ownership of FPs by States**

All the states do not generally take CSSs and FPs in good stride and feel them as having imposed on them by the central government. The FPs add financial burden on
states. The states make efforts and dedicate men and material resources to implement FPs while these programmes belong to the centre which not only launches but also financially sponsor them. Most of the programmes fall within the functional sphere of the states as part of State List but financially dominant central government start CSSs and FPs with its own terms and conditions, thus, undermining the states. As a result, all the states do not find favour with FPs and therefore, implement them half-heartedly. Therefore, the country suffers as precious and hard-earned public money is wasted. The guidelines and implementing norms all are centrally drafted and dictated to States without any significant flexibility to suit the interests and requirements of the States. It results into difference in achievements of targets by the states as some of them implement them quite efficiently while others not.

**Powerful and Special Category States Remain at Advantage**

From 1947 to 1969, the transfers from the centre were given to the states on the basis of the development and infrastructure projects which the states had undertaken. In 1969, the National Development Council (NDC) came up with formula to transfer grants and loans to the states known as Gadgil Formula. Nirvikar Singh argues in the following words that how central transfers are more favourable for the states having more bargaining power and the states designated as ‘special category states’:

However, while the special category states receive plan transfers based on projects that they formulate and submit, the general category states’ plan transfers are not related to the required size or composition of plan investments. Hence there is not even implicit matching of states’ own resources in this channel, let alone an explicit matching formula. The special category states receive a much higher proportion of Plan funds as grants.

The number of CSSs started growing fast after mid-1970s and “over the years, the central government has introduced several CSSs in areas of national priority such as health, education, agriculture, skill development, employment, urban development and

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27 The hilly states of Himachal Pradesh, Jammu and Kashmir, Uttarakhand and eight north-east states are special category states due to their difficult geographical terrain.

rural infrastructure.” The centre government has been using the central transfers to manipulate spending priorities of the states as:

There are over 100 such schemes, and several attempts in the past to consolidate them into broad sectoral programs have not been successful. These programs have provided the central government with an instrument to actively influence states’ spending, replacing the pre-1969 plan transfers in this role.

The politics has been the part of the central transfers since inception and it is found in the current times also. The centre uses its discretion and consider other factors, which are not economic ones, to transfer financial resources to the states. As a result, “states having greater bargaining power at the center receiving larger per capita transfers (including Plan transfers). In addition, many poor states are unable to provide matching transfers for the CSS, resulting in lower utilization of central transfers.”

**Claiming of Undue Credit by the States**

Some states take entire credit to gain political mileage from FPs of the central government by showing to masses as their own programmes. It is the concern of the centre that it is ethically wrong on part of the states to claim entire credit of FPs of the centre by not acknowledging the central initiative and financial sponsorship behind programmes. Some states have devised their own peculiar ways to capitalise political gains out of FPs. For instance, in Punjab under National Rural Health Mission (NRHM) the ambulance service (popularly known as “108 Service”) was started by the state government with photos of Chief Minister Parkash Singh Badal on every ambulance. It was done to claim credit for the health service and to convey to masses that it is sole initiative of the state government. The centre government raises objection to such tactics of the states to distort national character of the development interventions under FPs.

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Corrupt Practices\textsuperscript{32} in FPs

FPs and CSSs are fraught with large scale corruption of various types and of varying degrees. The state governments remain on back foot to take action against erring officials involved in corruption cases related to implementation of development programmes. All this happens due to political protection available to elected political representatives and administrative personnel at village, municipal ward or block level. Some of the examples of corrupt practices are being discussed below:

- \textit{Selection of Beneficiaries}: Fake, wrong or undeserving or ineligible beneficiaries and political patronage behind selection of beneficiaries. At village level Panchayat Heads (\textit{sarpanch}) have been found to have selected their own supporter and party men as beneficiaries under the Mahatma Gandhi National Rural Employment Guarantee Act programme.

- \textit{Corruption by Administrative Officials}: The government functionaries at village level Panchayat Secretary; at block level clerks, superintendents and block development officers (BDO) demand money from \textit{sarpanches} and other elected people to release funds for development programmes.

- To not follow proper and recommended procedures and guidelines while selection of works to be done or during actual execution of the activities under the programmes, for example use of JCB machines in MGNREGA works is violation of guidelines.

\textbf{Diversion of Funds by the States}

The funds cannot be transferred from one programme to other programme under the financial norms of CSSs. It has been reported that funds sanctioned for particular FPs and CSSs are diverted to other development activities which is in contravention to rules and guidelines of the central government.\textsuperscript{33} This practice is strongly opposed by the centre and it amounts to corruption on part of the states. The allocations made by the centre to the states under FPs and CSSs cannot be followed till where the funds are

\textsuperscript{32} The observation made here regarding corruption has been confirmed through field visits to villages of Amritsar district in Punjab by the researcher.

finally consumed. However, at best it can be trailed only upto to the district level as districts or implementing agencies or societies receive funds directly from the central ministries or respective state government. It is here that “at least some funds from schemes are diverted from their given purpose. These can either be for other schemes that the State government prefers…and the more general use for budgetary support….”

For instance, Comptroller and Auditor General of India found in 2000 that the funds meant for Employment Assurance Scheme (EAS), which is a CSS, were being shifted to the state scheme namely Janmabhoomi scheme and other activities in Andhra Pradesh and in Madhya Pradesh to the Rajiv Gandhi Watershed Mission and ‘Paani Roko Abhiyaan’ which are state schemes. The funds allocated for CSSs and FPs are diverted to general support for state budgets and it happens when funds are released at the end of the instalment period. The diversion of funds takes place due to (i) lack of proper implementing apparatus (ii) lack of clarity among the implementing agencies about the schemes (iii) the centre not approving funds on time and in turn the states not releasing them timely and (iv) the centre not taking into account specific priorities of the states. “There is also the more permanent (chronic) diversion of funds to fulfil current account expenditure. This is considered highly irresponsible behaviour on the part of State governments.”

**Issues of Monitoring and Transparency**

The FPs are criticised in the context of the inadequate and improper monitoring, evaluation, and lack of transparency particularly in the funding pattern. The central ministries operate a large number of CSSs and the most of them lack proper monitoring and concurrent evaluation. If it is done it will ensure twin benefits-one that shortcomings of programmes can be tackled during mid-course and thus preventing long run damage to programme, second that agencies and personnel in the states will be in position to improve performance. Some of the FPs such as PMGSY and MGNREGA have provisions of monitoring, concurrent evaluation, and social audit conducted by the

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35 Ibid.
36 Ibid.
official and independent agencies and organisations. Transparency is not given adequate space and attention particularly in terms of criteria of fund allocation and parameters on which programmes are assessed and evaluated along with mechanism. All such things should be very transparent and be communicated to all the states along with putting them on the websites of the respective central ministries and the Planning Commission. It can be made mandatory on part of the ministries to do so. The monitoring and concurrent evaluation of the CSSs should be in-built feature of all CSSs including FPs.

**States’ Lackadaisical Approach and Politics in Implementation of FPs**

The Second Administrative Reforms Commission (SARC) dealt in detail in reports on attitude of the states governments in the implementation of FPs and CSSs on one hand and on the other hand creating other enabling institutions such as District Planning Committee (DPC) in each district of all States under 73rd and 74th Constitutional Amendments. The SARC explained politics in the implementation of FPs as:

Some States have not formed the DPC. Besides, there are some inherent problems with this institution. In a developmental State, planning is an essential function of government at any level. Creating a separate authority independent of the structures of governance for undertaking the exercise of development planning has no logic. The DPC is the only body in the decentralization scheme of the Constitution where up to one-fifth of the total members can be nominated. A nominated member can also be the Chairperson of the DPC. Nomination could be used as a convenient tool available to the ruling party of a State to induct members on narrow political considerations. Some States have the system of nominating a minister as head of the Committee, thus converting the DPC into a power centre that is stronger than the elected local bodies. Also, the DPC is a stand-alone committee within the Panchayat-Municipal system and there is no organic linkage between the two. Being constituted partly through indirect election and partly by nomination, it is neither accountable to the people directly, nor to the PRI-Municipal system. With all these weaknesses, the DPC in its present form is hardly

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able to make any contribution to the process of democratic decentralization. The situation is compounded by the fact that separate ‘district plans’ are required to be prepared for each of the major Centrally Sponsored Schemes.\textsuperscript{38}

\section*{MEASURES TAKEN by the CENTRE to ADDRESS ISSUES & CONCERNS}

The central government has been taking steps since Fourth Five Year Plan to address issues and concerns raised by the states regarding FPs. Following is the brief description of the main efforts in the form of measures that the centre has taken so far:

\textit{Sub-committee of the NDC (1967)}

There were large number of planned initiatives taken after independence for development of people and country as a whole. As a result programmes and schemes in the central sector grew tremendously which become a matter of concern among the states and the centre as well. During the Second Five Year Plan, the centre transferred a large a number of central schemes to the state plans. Despite this, the number of CSSs increased to more than 90 at the culmination of 3\textsuperscript{rd} Five Year Plan. There were scores of issues regarding them such as difference between guidelines and norms of CSSs and ground reality prevailing in the states in terms of pattern of staffing and pay scales, designs of buildings etc. There was no clear cut criterion of transferring financial resources under CSSs to the States since beginning of planned development in the country. In this backdrop, the National Development Council (NDC) constituted a sub-committee in 1967 on CSSs to resolve anomalies and suggest criteria of funds allocated to the states under CSSs. The reduction in the number of CSSs was among the recommendations of the Committee which also laid out four-pronged criteria to start CSSs i.e. first, as a matter of national policy only restricted number of schemes should be started; second, schemes on specialised research and training to benefit two or more states; third, Research and Development related schemes on pilot basis; and fourth, new schemes other than mentioned in Five Year Plan.\textsuperscript{39} In accordance with the

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recommendations of the Committee, the Planning Commission transferred 36 CSSs to the states.\footnote{Siddharth Shastri, \textit{Financing of State Five Year Plans in India}, New Delhi: Mittal Publications, 1992, p. 345.}

**First Administrative Reforms Commission (1966)**

The first Administrative Reforms Commission was established by the Central Government in January 1966 and Morarji Desai was its chairman. Later on K. Hanumanthaiah took over as chief of the Commission as Morarji Desai became Deputy Prime Minister of India. The Commission submitted reports in 20 volumes over the period of decade. The Commission recommended some 537 measures aimed at improving the public administration at all levels and making it more efficient and responsive particularly for implementing socio-economic policies.\footnote{Inter-State Council Secretariat, First Administrative Reforms Commission, Government of India, available at http://interstatecouncil.nic.in/first_arc.html, retrieved on 16-07-2013.}

**Sarkaria Commission on Centre-State Relations**

After over three decades of getting independence, the government felt the need to take stock of relations between the centre and the states as lot of changes had happened in the social as well as economic fields over the period. Resultantly, the centre through its Home Ministry announced constitution of Commission on Centre-State Relations on June 9, 1983 to examine and review relations and recommend measures in that regard. Justice R.S. Sarkaria was head of the Commission. The other two members were S. Sivaraman and S.R. Sen.\footnote{Sarkaria Commission, Inter-State Council Secretariat, http://interstatecouncil.nic.in/first__ccsr.html#subnav3_4, retrieved on 16-07-2013.} The Commission gave 537 recommendations in 20 chapters taking time of nearly five years from 1983 to 1988.

**The NDC Expert Group (1984)**

At the time of discussions on an approach to Seventh Five Year Plan, the state governments reiterated their concern in the growth of the number of CSSs. As a result, the NDC established an Expert Group to recommend measures to address problems related to CSSs. The Chairman of the Group was Shri K. Ramamurthy and its mandate was to peep down on concerns with regard to ceiling on the total central assistance to the states under CSSs, curbing their proliferation and coverage. While recommending
criteria, it suggested couple of new things but mainly repeating older ones of 1967. Among the criteria it included schemes that intend to create institutional framework in any particular region or throughout the country as also having potential to be pace setter in fixed time span and achieving objectives. The Sarkaria Commission on Centre-State Relations also endorsed the recommendations of the Ramamurthy Group.  

*The NDC Sub-Committee (1986)*

As the Expert Group could not suggest something concrete regarding CSSs only laying down broad parameters, the NDC tried to sort out issues concerning CSSs and appointed the Expert Committee headed by Shri P.V. Narsimah Rao. The Committee submitted its final report in 1988 and after two years report was deliberated in 1990. It was to delve into criteria of launching new CSSs and other issues particularly related to transfer mechanism and periodical evaluation of schemes. In its recommendations it too repeated old criteria while keeping main focus on schemes that conforms to national objective such as reduction in poverty and ensuring minimum needs. The Committee made it mandatory to get approval of full Planning Commission to start new CSSs. However, it made very important suggestion with regard to CSSs that schemes of national importance may be retained as CSSs while other schemes should be transferred to the State Plans. In the 1990 NDC meeting, the Chairman reported that government was working on effective decentralisation of CSSs so that Panchayats would meaningfully and effectively participate in them.  

*Group of Officials (Baijal Group)*

The NDC Committee assigned the task to Group of Officials headed by Shri J.S. Baijal to work out details on taking up new CSSs. It examined various issues and suggested scores of steps to be taken to resolve concerns related to CSSs. It submitted report in 1987. The group felt that schemes or programmes aimed at development of areas should not be part of CSSs because funds under these programmes are transferred to the states as Special Central Assistance. The group recommended

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45 Area development programmes includes North-East Council, Hill Area Development Programme, Tribal Area Development Programme, Border Area Development Programme and Desert Development Programme.
Federal Dynamics of Flagship Programmes

transferring of nearly 113 schemes with budget outlay of around Rs. 1260 crore while, retaining 125 schemes as CSSs with financial provision of approximately Rs. 14100 crore. As a result number of schemes under CSSs declined to significant extent. Among the other suggestions included was that the centre should not introduce any CSS amid the ongoing Five Year Plan, examination and evaluation of all retained CSSs with respect to their content and thrust, and most importantly prior consultation with the states on schemes which are not fully sponsored by the centre and require matching contribution from the states.46

Second Administrative Reforms Commission

The Congress-led UPA government had set up this commission under the chairmanship of Shri Veerappa Moily in August 2005. The Commission prepared and submitted 15 reports over the period of three years between 2006 and 2009 on different aspects of governance.47 The Commission was to look into administration to “suggest measures to achieve a proactive, responsive, accountable, sustainable and efficient administration for the country at all levels of the government.”48 As part of promoting competition and social audit in all spheres particularly among States, the Commission in its 4th Report-Ethics in Governance recommended following measures:

- “Some Centrally Sponsored schemes could be restructured so as to provide incentives to States that take steps to promote competition in service delivery.”
- “Operation guidelines of all development schemes and citizen centric programmes should provide for a social audit mechanism.”
- “All new national public policies on subjects having large public interface (and amendments to existing policies on such subjects) should invariably address the issue of engendering competition.”49

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The 6th Report made very important observation regarding ‘staffing component’ for supervision of CSSs including FPs in the following words:

….number of ‘flagship’ schemes e.g. NREGS, JNNURM, cast implementing responsibilities on the various tiers of panchayati institutions and the municipal bodies. Besides, there are a number of other schemes particularly in the rural sector with considerable involvement of PRIs. Some such schemes do carry a ‘staffing component’ mainly for supervision. The state of preparedness of the local bodies in such cases is, however, not uniform and is often not properly assessed.50

With respect to role of Panchayati Raj Institutions (PRIs) in the implementation of CSSs, the Commission suggested to give PRIs a central role along with some portion of funds without any sort conditions attached to them to let them perform their constitutional functions.

**Punchhi Commission on Centre-State Relations**

The UPA government had made promise of setting up Commission on Centre-State Relations in its common minimum programme in 2004 to look afresh on relations between Centre and States. Therefore, fulfilling its word, the UPA established Commission on April 27, 2007 to review the relations between Centre and States in view of changes that has taken place in the politics and economy of India. It is popularly known as Punchhi Commission after the name of its chairman Justice Madan Mohan Punchhi, a retired Chief Justice of India. The Commission presented recommendations in the report (in 7 volumes) in March 2010 having “examined and reviewed the working of the existing arrangements between the Union and States, various pronouncements of the Courts in regard to powers, functions and responsibilities in all spheres including legislative relations, administrative relations, role of governors, emergency provisions, financial relations, economic and social planning, Panchayati Raj institutions, sharing of resources including inter-state river water etc.”51

Zero Based Budgeting during 10th Plan

The Zero-based budgeting system is contrary to traditional system of budgeting in which there used to be allocation of financial funds for items of expenditure including development schemes and programmes on incremental basis without undertaking any review or evaluation of utility. In this system it is very difficult after some years to fix accountability of the executive agencies on expenditure. The Zero-based budgeting lays down a mechanism that operative executive agencies, ministries or departments have to conduct re-evaluation of all items of expenditure after specified interval to justify whether programmes or schemes need to be continued or scrapped along with justification of doing so.52 Therefore in this budgeting system financial accountability is ensured as also wasteful and unjustified expenditure is prevented. The Planning Commission commenced this budgeting for CSSs in the initial year of 10th Plan and as a result it decided to abolish four dozen schemes, reducing 161 schemes to just 53 by merging them along with retention of 135 other schemes, thus, retaining total of 188 schemes in the 10th Plan.53 This system of budgeting “was expected to bring about convergence between various central sector and centrally sponsored schemes. However, actual integration has been slow and many schemes continue to maintain separate identity. Progress in implementing plan programmes in the first two years of the Tenth Plan was also slow.”54

Varma Committee in 2005 and Follow up by Planning Commission

In the 47th meeting of the NDC in 1997 suggestion was made to curtail number of CSSs, however, number of CSSs kept rising.55 The NDC meeting held in 1999 held discussions on transfer of some CSSs to States, however, perceptible differences appeared between the centre and the states on one hand and among the states on the other hand with regard to which schemes are to be transferred as also mechanism of

transfer. North-East States and Bihar demanded transfer of schemes with full funding and flexibility in spending. The NDC in its 51st meeting held in 2005 suggested setting up of Expert Group or Committee with Shri Arvind Varma as Chairman to come out with cemented guidelines to restructure CSSs. After nearly a year Committee handed over report September 2006 in which it suggested following measures:

- “A new CSS should be introduced only with the approval of the full Planning Commission and in consultation with States.”
- “Planning Commission should undertake ZBB exercise at least once every five years in consultation with the States.”
- “A new CSS should be approved only if annual outlay is more than Rs. 300 crore. Existing CSS with less than Rs. 300 crore annual outlay should be wound by 31st March, 2007 and the amount transferred to the States via the Normal Central Assistance.”
- “Planning Commission should notify dates, targeted outcomes and outcome measurement strategy for all existing CSS. All new CSS should have start and closure dates, and in the absence of a specified date of closure, would come to a close at the end of that Plan period. The issue of terminal liabilities should be addressed by the Central and State Governments around the time of termination of the CSS.”
- “All CSS funds should be routed through the State Budget. In the interests of practicality, States should make provision in anticipation of the Central releases.”
- “Any funds not transferred via the State budget should be subject to annual expenditure certification by the Indian Audit and Accounts Department like all CSS for which funds are released through the State budget.”

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The Planning Commission prepared 11th Five Year Plan keeping in view Varma Committee recommendations. The Commission ruled out transferring of CSSs to States as they are launched across all States and UTs to attain some national objectives instead it preferred curtailing number of CSSs from 155 in 2006-07 to 82 by 2007-08 using ZBB approach. The Planning Commission also took another important measure of using services of Chief Controller of Accounts to develop scheme-wise data with the aim of monitoring funds allocated to States and expenditure incurred by them.57

**BK Chaturvedi Committee in 2011**

Keeping in view the issues and concerns being raised against CSSs, the Planning Commission of India decided in February 2011 to set up a Sub-Committee to suggest roadmap to resolve the criticism surrounding CSSs including FPs. B. K. Chaturvedi was appointed chairman of the Committee. The Committee was tasked to examine CSSs from the perspective of rationalisation to keep their number minimum, size and criteria of CSSs and inclusion of flexi funds in CSSs for the states. The Committee has examined the issues related to rigidity embedded in the norms and guidelines, inadequate monitoring of CSSs. However, the Committee has not touched the issue of united funds through Normal Central Assistance which has been for long the pressing issue.58 The major steps suggested by the Committee with the respect to restructuring of the CSSs are as following59:

- All CSSs with an annual outlay of less than Rs. 100 crore be scrapped or merged in other similar larger sectoral schemes or they should be transferred to the states.

- The current nine FPs (Appendix III) should be kept continued while all other CSSs should be reorganized into three categories i.e. FPs (9+NRLM60), Major Sub-Sectoral Schemes (39 from 99) and Sector Umbrella Schemes (11 from 39 as ACA or CSS).

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57 Ibid: 16
60 National Rural Livelihood Mission.
The schemes which address national issues but require significant flexibility in the norms and guidelines due to diverse local conditions in the states be reformed into Additional Central Assistance (ACA) schemes which have such provisions.

The allocation of funds under the CSSs to the states should be made through transparent mechanism that must be notified and placed on the websites of the concerned the central ministries and there should be provision of incentives in the form of enhanced funds for those states which allocate more funds for particular CSSs in their budgets.

For labelling as FPs, the CSS should satisfy the condition that is major central intervention and carry minimum allocation of Rs. 10000 crore over the period of 5 years.

The Normal Central Assistance to the states should not fall below 10 % of Gross Budgetary Support (GBS).

Maximum limit for counterpart funds should be 10 % for north east states and 25 % for all other States in case of FPs. All new CSSs should be fully funded by the centre and they should fall under either the ‘Sub-Sectoral Schemes’ or ‘Umbrella Schemes’.

All the CSSs should carry flexi funds to the tune of 20 % of total allocation for that purpose which should be 10 % for flagship programmes and such money under flexi funds can be used by the States for sub-schemes or components of that CSS.

**Budget Announcements 2014-15 regarding CSSs**

To bring reforms into CSSs and FPs, the government implemented some of the recommendations of the B.K. Chaturvedi Committee in the budget 2014-15. The central government announced measures to resolve the issues and address the criticism regarding CSSs in general and FPs in particular. Finance Minister announced in his budget speech that “Centrally Sponsored Schemes were restructured into 66 programmes for greater synergy. Funds under these programmes will be released as
Central assistance to State plans, thus giving States greater authority and responsibility.”61 As a result of follow up action by the Central Government to implement recommendations of the Chaturvedi Committee, the total Central assistance available to States and UTs enhanced to more than double over the period of 2013-14 to 2014-15 i.e. 136,254 crore to 338,562 crore respectively.62

Conclusion

The government spends huge sums on social sector expenditure to meet social and economic needs and to alleviate poverty, fight hunger, build infrastructure, meet minimum basic needs, raising incomes, reducing disparities, to achieve broad based improvement in the living standards of the people, to ensure that the growth is wide spread, and achieving inclusion. The central government has revamped and strengthened CSSs including FPs to ensure that the benefits of the growth in terms of income and employment are equally shared by the poor and weaker sections of the society mainly SCs, STs, OBCs and minorities. The central government spends money on development of the country and it has been increasing consistently over the time. If the terms of the NDA and the UPA-I are compared, it is found that the expenditure on economic services during the six years rule of the NDA increased nearly two times against three times during the UPA’s six years. On overall basis the Centre’s expenditure has grown 4 times, while, the states’ expenditure has swelled by only 2 and 1/2 times which indicates the faster centralisation took place during the span of 1999-2008 that correspond to terms of the NDA and the UPA-I. There was rise of 60 % and 150 % in spending on CSSs during the NDA and the UPA regimes respectively. In case of transfer of grants to States the UPA scores over the NDA.

The rise in expenditure on social and economic services through FPs and other CSSs has helped in reducing poverty and inclusion to some extent. However, it has also affected the political economy of Centre-State relations. The states have raised voice quite many times against FPs and CSSs because of their ever increasing number, strict

physical and financial norms, upsetting State development priorities and encroaching upon state functions as mentioned in State List in the Constitution among other issues. The centre too has its own grievances against the states regarding implementation of FPs and CSSs which includes corruption, fake and ineligible people cornering benefits, local politics and diversion of funds etc. The centre has been taking measures from time to time to address issues and concerns raised by the states with regard to CSSs and FPs, most recently by accepting recommendations of the B.K. Chaturvedi Committee and initiating reforms in CSSs and FPs. It is to be seen that whether steps taken by the centre to bring reforms in central programmes will bear fruits and upto what extent.
REFERENCES


