

**പതിമൂന്നാം കേരള നിയമസഭ
പത്താം സമ്മേളനം**

നക്ഷത്ര ചിഹ്നമിടാത്ത ചോദ്യം നമ്പർ. 55

06.01.2014- ലെ മറുപടിക്ക്

രഘുറാം രാജൻ റിപ്പോർട്ട്

ചോദ്യം

ഉത്തരം

ശ്രീ. കെ. വി. വിജയദാസ്

**ശ്രീ. ഉമ്മൻ ചാണ്ടി
(ബഹു. മുഖ്യമന്ത്രി)**

(എ) രഘുറാം രാജൻ റിപ്പോർട്ടിന്റെ അടിസ്ഥാനത്തിൽ കേരളത്തിന്റെ പദ്ധതി വിഹിതത്തിൽ വന്നു ചേരുന്ന കമ്മി എത്രയെന്ന് വിലയിരുത്തി യിട്ടുണ്ടോ; ആതിന്റെ ഭാഗമായി വരുന്ന പദ്ധതി നഷ്ടം കണക്കാക്കിയിട്ടുണ്ടോ; വിശദാംശം നൽകുമോ;

(ബി) ഇപ്രകാരം സംസ്ഥാനത്തിന് ഉണ്ടാകുന്ന നഷ്ടത്തെ സംബന്ധിച്ച് വിശദമായ പഠനം നടന്നിട്ടുണ്ടോ; എങ്കിൽ ഇതു സംബന്ധിച്ച വിശദാംശം നൽകുമോ;

(സി) പ്രസ്തുത നഷ്ടം നികത്തുന്നതിന് എന്തെല്ലാം നടപടി സ്വീകരിച്ചുവെന്ന് വ്യക്തമാക്കുമോ; ഇല്ലെങ്കിൽ എന്തു കൊണ്ട് എന്ന് വ്യക്തമാക്കുമോ ?

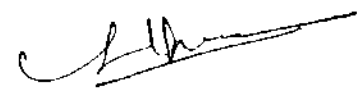
(എ)

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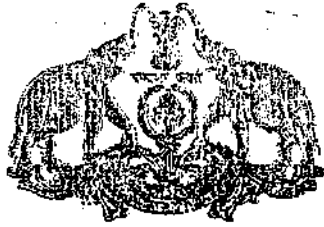
(സി)

ഈ വിഷയത്തിൽ സർക്കാർ പ്രാഥമിക വിലയിരുത്തൽ നടത്തുകയുണ്ടായി.

രഘുറാം രാജൻ സമിതി റിപ്പോർട്ടിനെ സംബന്ധിച്ച് സംസ്ഥാനത്തിനുള്ള ആശങ്കകൾ അറിയിച്ചു കൊണ്ട് 01/10/2013-ൽ മുഖ്യമന്ത്രി ബഹു. പ്രധാനമന്ത്രിക്ക് കത്തയച്ചിട്ടുണ്ട്. പകർപ്പ് ഇതോടൊപ്പം ചേർക്കുന്നു.



സെക്ഷൻ ഓഫീസർ.



OOMMEN CHANDY
CHIEF MINISTER
KERALA

D.O. No. 900/2013/O.CM.

1.10.2013

Respected Dr. Manmohan Singhji,

The State Government has had a quick look at the Report of the Committee for evolving a composite development Index of States put on the website by the Ministry of Finance. We are greatly disturbed by the approach followed by the Committee in respect of allocation of funds to the States. I give below the preliminary remarks of the State Government on the Report. We will send more detailed comments after exhaustive examination.

The report of the Committee itself mentions that their recommendations may be used to allocate some of the development funds that are allotted by the Centre to the States. Further the Committee mentions that this report is not intended to replace existing methodologies, but should be thought of as one that will channel some of the fund allocations. It is important to remember here that there is no uncommitted corpus of funds with the Centre that can be allocated as recommended by the Committee. The devolution of tax and grants-in-aid are determined by the Finance Commission in

accordance with the provisions of the constitution. For devolution of Plan funds there are established methods developed over the last several decades by the Planning Commission after exhaustive consultation with the States. The present Committee has not held consultations with the States or other stakeholders and its report has been prepared over a very short time of 4 months. It would be totally against the provisions of the Constitution, the concepts of fiscal federalism and the existing scheme of devolution of development funds by the Planning Commission to even consider implementation of any of the recommendations of the Committee.

I must also mention that even the methodology adopted by the Committee is seriously flawed as it does not include major economic factors such as agricultural production, production of manufactured goods or power generation in giving shape to the index of development. It does not take into account factors such as demographic profile, the gender equation, productivity levels and extent of investment, both domestic and private. This would be obvious from the fact that under the scheme proposed by the Committee many advanced States would be eligible for a higher allocation of resources. Distribution of resources as recommended by the Committee would only help to aggravate existing imbalances.

The note of dissent submitted by Dr. Shaibal Gupta has brought out some very relevant issues. We completely agree

with the view expressed by Dr.Gupta that the choice of Monthly Per Capita Consumption Expenditure (MPCE) in place of Per Capita GSDP is out of place. MPCE does not reflect production and income derived from production. In States to which there is inflow of foreign and domestic remittances, as in Kerala, MPCE would give a distorted picture of the level of development. As Dr.Gupta has pointed out, MPCE also does not take into account differences in the prevailing level of inflation in different States. He has stated that there could be price differentials as high as 30 to 40 per cent between States. Dr.Gupta has also pointed to the fact that the Committee has chosen a mix of parameters, some of which are based on outcome and some on "background or process variable", while the original decision of the Committee was only to choose outcome related variables.

The Report also does not take into account the fiscal capacity of States. A State that is heavily dependent for its income on the service sector is automatically disadvantaged in terms of capacity to collect revenue because it gets no share of Service Tax. The Report also does not take into account the mandate given under Article 280(3) (bb) and 280(3) © of the Constitution relating to measures to augment the Consolidated Fund of a State to strengthen local bodies.

In conclusion, I would like to reiterate our serious concerns regarding the recommendations of the Committee on allocation of funds for development. We would strongly urge the

Government of India not to accept the recommendations of the Committee and to leave the devolution of resources to the Finance Commission and the Planning Commission as at present.

With regards,

Yours sincerely,


1/10/13
GOMMEN CHANDY

Dr. Manmohan Singh
Hon'ble Prime Minister of India
New Delhi