



Rationalisation of CS schemes mooted

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Highlights

- Several Centrally Sponsored Schemes (CSS) are just boutique in nature with 'dubious' outcomes, the 15th Finance Commission of the Union Government has noted while calling for urgent rationalization of the CSSs.
- The pruning of such schemes would give the State government's greater measure of flexibility in financing, Commission Chairman N.K. Singh said.

'High costs incurred'

- Even the ones which are operational do not justify the high establishment cost being incurred on them.
- The commission noted the general status of public financing in States remains 'stressed' owing to payments made towards the Seventh Pay Commission, loan waivers given to farmers and debt restructuring under the UDAY scheme.
- The commission is looking at ways to restrict some of these schemes even as the Reserve Bank of India has pointed towards the stress on State finances as result.

Mergers in 2013

- The proliferation of the CSSs was debatable until the Ninth Five-Year Plan, when the total number of schemes shot up to 360, accounting for about 60% of Central assistance.
- In 2013, the Planning Commission announced the merger of several CSSs, reducing the count to 66.
- These were further pruned to 27 following the report of a committee of CMs led by Shivrajsingh Chauhan recently.
- State governments have already demanded an increased flow of untied fiscal resources in place of tied resources that come with CSS.

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