

MPLAD scheme suspended

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Source: *The Hindu*

Manifest pedagogy: With the growing concern of COVID 19 on one end and importance of necessary works in MP constituencies on the other end, the suspension of MPLAD scheme has come as a deathblow to the grassroot developmental works.

In news: The Centre has temporarily suspended the MPLAD fund scheme for the next two years (2020-22).

Placing it in syllabus: MPLADS

Static dimensions:

- What is the scheme about?
- List of eligible and ineligible works
- Criticisms against the scheme

Current dimensions: Reasons for its suspension

Content: It is **decided to transfer the sum** that members of the Lok Sabha and Rajya Sabha were entitled to annually, to execute developmental projects in their constituencies, to the Consolidated Fund of India for Covid-19 related spending. A total of **₹7,900 crore of MPLADS money is to be transferred to the Consolidated Fund of India.**

What is the scheme about?

- Members of Parliament Local Area Development Scheme (MPLADS) is a scheme formulated by Government of India on **23 December 1993.**
- It enables the MPs to **sanction upto Rs 5 crore per year and recommend developmental work in their constituencies** with an emphasis on creating durable community assets based on locally felt needs.

- Initially, this scheme was administered by the Ministry of Rural Development.
- Since 1994, the **Ministry of Statistics and Programme Implementation (MOSPI)** has been looking into its working.
- **Elected Members of Rajya Sabha** representing the whole of the State as they do, may **select works for implementation in one or more district(s) as they may choose.**
- **Nominated Members** of the Lok Sabha and Rajya Sabha may also select works for implementation **in one or more districts, anywhere in the country.**
- MPs can also **recommend work of upto Rs. 25 lakhs per year outside their constituency or state of election** to promote national unity, harmony and fraternity.
- MPs can recommend work of **upto 25 lakh for Natural Calamity in the state and upto Rs. 1 crore in the country** in case of Calamity of Severe Nature (e.g. Tsunami, major cyclones and earthquakes).
- The funds are **held by the district collector and allocated to various development projects on the MP's say-so.**
- **Thus MPs can only recommend,** but District Authorities have the ultimate power to sanction it.
- A State level nodal department is chosen, which is responsible for supervision and monitoring and maintaining coordination with line departments.
- **Funds are non-lapsable** in nature i.e. in case of non-release of fund in a particular year it is carried forward to the next year.
- MPs need to recommend work worth at least **15% and 7.5% of their funds to create assets in areas inhabited by SCs and STs** respectively.
- Funds for MPLADS **can be converged with MGNREGA** for creating more durable assets and with the National Program for Development of Sports (Khelo India).

List of eligible and ineligible works:

Key priority sectors include drinking water facility, education, electricity, non-conventional energy resources, healthcare and sanitation, irrigation facilities, railways, roads, pathways and bridges, sports, agriculture and allied activities, self-help group development, urban development.

Other works permitted include construction of railway halt stations, providing CCTV cameras in strategic locations, installation of bio-digesters at stations, schools, hospitals, installation of rainwater harvesting systems in public spaces, construction of shelters for skill development.

Works not permitted are construction of office and residential buildings for public and private agencies, land acquisition or paying compensation, naming assets after individuals, grants or loans to state/central relief fund, assets for individual benefits, works on lands belonging to religious groups, execution of works in unauthorized colonies.

Criticisms against the scheme:

- A **cumulative amount of Rs 5,275.24 crore has remained unspent** under the scheme as on March 4, 2020, as per the data given by the Ministry of Statistics & Programme Implementation.
- Often, the implementation of projects recommended and sanctioned in one financial year tends to spill over into the next and the money allocated for an unfinished project reflects in the unspent balance with the district authority.
- As funds are usually released in two instalments every year by the Union government into the account of nodal district authorities, the system shows funds in the pipeline for ongoing works as unspent balance.
- Also data analysis of reports of the Ministry on fund utilisation has shown that **Lok Sabha MPs elected in 2014**

have not utilised their funds as effectively as MPs who were elected in 2004 and 2009. E.g. the unspent money under the MPLAD Scheme has risen by 214.63 percent between the 15th and 16th Lok Sabha.

✘ Reasons for its suspension:

- On March 24, 2020 MOSPI issued a circular allowing the MPs to use their entitlement for 2020-21 to purchase items like infra-red thermometers, face masks and gloves, personal protection equipment kits and ventilators for use in government hospitals and dispensaries.
- On March 28th a circular was issued which stated that MPs may contribute a part of their entitlement for 2020-21 to Covid-19 specific funds of the Centre and use the balance for activities in their constituencies.
- However, on April 7th, 2020 the cabinet approved the central government order of suspending MPLADS for two years, which is **one of the measures taken in preparation for a fight against coronavirus.**
- This suspension would **help the government save a total of around Rs 8,000 crore in two years** (government has allocated Rs 3,960 crore for 2020-21).

Criticisms against the move:

- With some states and districts more impacted by the coronavirus outbreak, **MPLADS funds could have filled the gaps in relief work left by the central and state governments.**
- Decentralised interventions are most effective when it comes to tackling disasters or epidemics. The decision to **centralise these funds will immensely weaken the efforts of state governments** against Covid19.
- MPLADS preserved the sense of direct responsibility for the well-being of constituents which is the hallmark of a MP's work. But **now the priorities and preferences of**

the centre would be followed as the money will be allocated by it.

Mould your thought: What is the MPLAD scheme? Critically analyse the recent decision of its suspension by the central government.