

MPLADS, ITS SUSPENSION, AND WHY IT MUST GO

Relevant for: Indian Polity | Topic: Parliament - structure, functioning, conduct of business, powers & privileges and issues arising out of these

All Opposition parties have been unanimous in their criticism of the government's recent move to suspend the [Members of Parliament Local Area Development Scheme \(MPLADS\)](#) for two years, approved by the Cabinet. The government's reason is this: to use these funds "to strengthen the government's efforts in managing the challenges and adverse impact of [COVID-19](#) in the country".

Such political unanimity is not very common but does happen whenever self-interest is involved. Under the scheme, each Member of Parliament "has the choice to suggest to the District Collector for works to the tune of 5 crores per annum to be taken up in his/her constituency".

Also read: [Opposition slams decision to suspend MPLAD fund scheme for two years](#)

It must be said upfront that notwithstanding the fact that unilateral decision-making is inappropriate in a democracy, the decision to suspend MPLADS for two years is a good first step. In fact, the MPLADs scheme should be completely abolished, and for the following reasons.

First, the scheme violates one of the cardinal principles, which though not specifically written down in the Constitution, actually permeates the entire Constitution: separation of powers. Simply put, this scheme, in effect, gives an executive function to legislators (read legislature). The argument that MPs only recommend projects, but the final choice and implementation rests with the district authorities is strange; there are hardly any authorities in the district who have the courage or the gumption to defy the wishes of an MP.

Second, implementation of the scheme has always left much to be desired. The details below, which are some of the observations made by the Comptroller and Auditor General (CAG) of India, in a report make it clear: Expenditure incurred by the executing agencies being less than amount booked. Utilisation of funds between 49 to 90% of the booked amount; Though the scheme envisages that works under the scheme should be limited to asset creation, 549 of the 707 works test-checked (78%) of the works recommended were for improvement of existing assets; Wide variations in quantities executed against the quantities specified in the BOQ (Bills of Quantity) in 137 of the 707 works test-checked. Variations ranged from 16 to 2312%. ("2312%" is the figure actually mentioned in the audit report); Use of lesser quantities of material than specified by contractors resulting in excess payments and sub-standard works; "no accountability for the expenditure in terms of the quality and quantities executed against specifications"; Delays in issuing work orders ranging from 5 to 387 days in 57% of the works against the requirement of issuing the work order within 45 days of the receipt of recommendation by the MP; Extensions of time granted to contractors without following the correct procedure; Register of assets created, as required under the scheme, not maintained, therefore location and existence of assets could not be verified; "The implementation of the scheme was marked by various shortcomings and lapses... These were indicative of the failure of internal control mechanisms in the department in terms of non-maintenance of records".

Also read: [Suspension of MPLADS funds undemocratic: Thirumavalavan](#)

Third, there are wide variations in the [utilisation of the MPLAD amount](#) in various constituencies. A report published in IndiaSpend has some very interesting insights based on

data made available to it by the Ministry of Statistics and Programme Implementation. Some of these are: “A year after they took office, 298 of 542 members of the 16th Lok Sabha — India’s lower house of parliament — have not spent a rupee from the 5 crore that is set aside annually for them to develop their constituencies”; 508 MPs (93.55%) did not, or could not, utilise the entire MPLADS amount from May 4, 2014 till December 10, 2018, in 4 years and 7 months. Only 35 MPs of the Lok Sabha utilised the entire amount of MPLADS during this period; Though 1,757 crore had been released for MPLADS, only 281 crore had been utilised by all the 543 MPs till May 15, 2015. This means only 16% of the money had been spent in one year by all the MPs put together, because the Lok Sabha was constituted in May 2014; Since the MPLADS began in 1993, 5,000 crore was lying unspent with various district authorities by May 15, 2015.

It is clear from the details above, as well as later experience, that most MPs use money under MPLADS quite haphazardly, and a significant portion of it is left unspent.

Fourth, added to the data above is fairly widespread talk of money under MPLADS being used to appease or oblige two sets of people: opinion-makers or opinion-influencers, and favourite contractors. Sometimes these two categories overlap. An often-heard tale is that of the contractor being a relative, close friend, or a confidant of the MP, and the contractor and the MP being financially linked with each other.

Finally, we come back to the legality or constitutionality issue which was mentioned earlier. The constitutional validity of MPLADS was challenged in the Supreme Court of India in 1999, followed by petitions in 2000, 2003, 2004, and 2005. The combined judgment for all these petitions was delivered on May 6, 2010, with the scheme being held to be constitutional.

Also read: [Coronavirus | 250 Rajya Sabha members to contribute from MPLADS fund](#)

With due respect to the top court, it must be said that the Court does not seem to have been able to appreciate the situation in totality. It seems to have placed an unquestioned trust in the efficacy of the scheme of implementation of MPLADS drawn up by the government without an assessment of the situation prevalent in the field, evidence of which is available in audit reports wherein gross irregularities and infirmities in implementation have been pointed out. The possibility that implementation of a lot of schemes bears no relationship to how the schemes were intended to be implemented, seems to have completely escaped the attention of the Court. Common experience does not support this because of large, yawning gaps being found in actual implementation.

Reports of underutilisation and misutilisation of MPLADS funds continue to surface at regular intervals but there seems to have been no serious attempt to do anything about it till now. There are innumerable instances of misuse of these funds; one prominent example is the construction of a fountain in the open space of an unauthorised settlement, or a *jhuggi jhopdi* colony, which did not have provision of drinking water. The general belief in the settlement was that the contractor who bagged the contract to build the fountain was related to the local Member of Parliament.

Therefore, it would be in order to convert the two-year suspension into the complete abolition of this undesirable and unconstitutional scheme.

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