

Central funds for Jharkhand

*36. SHRI SANJIV KUMAR: Will the Minister of PLANNING be pleased to state:

(a) whether the Raghuram Rajan Committee was formed to suggest ways to identify indicators of the relative backwardness of States for equitable allocation of central funds;

(b) if so, in what manner States with sizeable share of tribal population having hilly terrain, economic and infrastructural backwardness and non-viable nature of State finance like Jharkhand warrant maximum central funding with a view to overcome their backwardness; and

(c) the manner in which Government plans to fund the State of Jharkhand in the next 5- 10 years?

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING (RAO INDERJIT SINGH): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) and (b) Yes, Sir. A Committee under the Chairmanship of Dr. Raghuram Rajan was set up by the Ministry of Finance for evolving a composite development index of States. The aforesaid Committee has submitted its report to the Finance Ministry in September, 2013 and it is available in public domain at <http://www.finmin.nic.in/reports>.

(c) As informed by Ministry of Finance the report of the Committee is under examination. One of the recommendations of the Committee is to use the framework outlined in the report to allocate some of the development funds that are allocated by the Centre to the States. The approach recommended in the report of the Committee is not intended to replace existing methodologies, but should be thought of as one that will channel some fund allocations based on need and performance.

SHRI SANJIV KUMAR: Sir, the Raghuram Rajan Committee has recommended a fresh approach that gets rid of the special category status plus classification of States with high funding needs. Funding from the Centre to the States will be based on State's development needs as well as its development purpose.
