

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:3041
ANSWERED ON:13.12.2006
IMPOSITION OF USER CHARGES
Nahata Smt. P. Jaya Prada

Will the Minister of PLANNING be pleased to state:

- (a) whether the Planning Commission has suggested cut in subsidies along with imposition of user charges on public services to fund irrigation and infrastructure sector projects;
- (b) if so, the details thereof;
- (c) whether the Government proposes to implement the suggestions of the Planning Commission; and
- (d) if so, the details thereof and the time by which the same will be implemented?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a) & (b): The Draft Approach Paper to the 11th Five Year Plan, as approved by Planning Commission, suggests that 'Our aim should be to limit the growth of non-Plan expenditure to 5% per year in real terms. With a targeted 9% growth in GDP, this would help to reduce non-Plan expenditure from 23.0% of GDP in the 10th Plan to around 19.0% in the 11th Plan. Our ability to curtail the growth of non-Plan expenditure depends critically on our ability to control subsidies. Subsidies must be curtailed by effectively targeting these to those who deserve them and reducing the non-merit subsidies. With the use of modern ICT we can and must improve targeting. It is also not possible for the Central and state governments to resist raising user charges and bear the burden of rising costs in a number of public services when most of those who use them can afford to bear a reasonable increase'.

It may be noted that the Approach Paper does not suggest cut in subsidies in general.

(c) & (d): In view of (a) and (b) above, does not arise.