

DRAFT
EIGHTH
FIVE YEAR PLAN
(1990-95)
AND
ANNUAL PLAN
1991-92

GENERAL PROFILE

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GOVT OF UTTAR PRADESH
PLANNING DEPARTMENT

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Sub. National Systems Unit,
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Planning and Administration
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Volume-II is of sectoral reviews and

Volume-III of statements

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CHAPTER - I

DEVELOPMENT PERFORMANCE

This chapter describes some of the salient features of state's economy, the main problems facing the state in its development and the directions in which the economy is being transformed. A brief review of state's seventh plan has also been given towards the end of the chapter.

Population Growth

2. Uttar Pradesh is the most populous and fourth largest State in the country. The state comprises 9 per cent of the area and 16.2 percent (1981) of the population of the country. During 1971-81, the state's population recorded an increase of 25.5 percent, yielding by an annual growth of 2.3 per cent¹ as against substantially lower corresponding figures of 19.8 per cent and 1.8 per cent¹ in the preceding decade of 1961-71.

3. The population in the State registered a higher growth rate than the national average for the first time during 1971-81. The growth rate of 1.8 per cent in its population during 1961-71 was not only lower than 2.2 per cent¹ of the country but also the lowest amongst the major states. However, this was reversed during 1971-81 and the annual growth of 2.3 per cent in its population in this decade was not only higher than the national average of 2.2 per cent but also highest among the major states excepting Rajasthan (2.9 per cent), Karnataka (2.4 per cent), Gujarat (2.5 per cent) and Haryana (2.6 per cent).

4. The more recent trend of a higher growth in state's population is likely to continue in future also. The Expert Committee on Population has projected a higher growth rate of 2.1 per cent per annum in state's population beyond 1981, as against a corresponding lower figure of 1.9 per cent projected for the country. According to these projections, the population of the State is expected to be 1336.91 lakh in 1990 and 1479.45 lakh in 1995, yielding an addition of 142.54 lakh to the population of the State during Eighth Plan. The state's population in 1995 is thus, estimated to be 16.5 per cent of country's population against its estimated share of 16.2 per cent in 1989. However, the shares of rural population of the state in country's rural population are still higher, 17.3 per cent in 1981, 17.0 per cent in 1990 and 17.0 per cent in 1995. A higher growth in the population of the state, where the production base is already weak and per capita income lower than most other states, will not only neutralize an equally higher share of growth in state's income, leaving a smaller margin for raise in per capita income but will also call for greater investment for providing various services for this population.

Urbanisation

5. Urbanisation is an index of growing economy and its diversification. It is accompanied by higher shares of secondary and tertiary sectors in the economy. The share of urban population in the State's total population increased from 14.0 per cent in 1971 to 17.9 per cent² in 1981 but it still remained lower than the national average of 23.3 per cent and was also lowest amongst the major state's excepting Bihar (12.5 per cent) and Orissa (11.8 per cent). In some developed states, the component of urban population in 1981 was as high as 35.0 per cent in Maharashtra, 31.1 per cent in Gujarat, 28.9 per cent in Karnataka and 27.7 per cent in Punjab. The component of urban population is estimated to be 304.59 lakh (22.8 per cent) in 1990 and 391.87 lakh (26.5 per cent) in 1995, yielding an increase of 87.28 lakh (61.2 per cent) out of the anticipated total increase of 142.54 lakh in state's population during the same period. The growth in urban population without a corresponding growth in urban settlements will cause severe strain on the infrastructure services in urban areas, requiring huge investment for provision of these services and solution of other connected problems.

Scheduled Caste Population

6. The socially and economically weaker segment of the society categorised as scheduled castes in the State recorded a still higher increase of 26.4 per cent during the decade 1971-81 against a corresponding increase of 25.5 per cent in state's total population. The share of scheduled castes population in the State's population in 1981 was 21.2 per cent which was the highest amongst all the major states except Punjab (26.9 per cent) and West Bengal (22.0 per cent). The share of the State in country's population of scheduled castes is also higher (22.4 per cent) than its share 16.2 per cent in the total population. A comparatively higher increase in the number and share of scheduled caste population together with the fact that this section is economically and socially backward and suffers from acute shortage of income generating assets places the state at a disadvantage from the point of view of achieving growth on the one hand and for discharging its obligations towards this section of its population.

Working Force

7. The state has 323.97 lakh main workers² (1981) of whom those engaged in agriculture are 74.5 per cent (58.5 per cent cultivators and 16.0 per cent agricultural labourers). The shares of those engaged in industry and in the remaining other activities are 9.1 per cent and 16.4 per cent respectively. The corresponding percentages for the country (excluding Assam) are 66.5 in agriculture, 11.3 in industry and 22.2 in the remaining other activities. The state's work force is, thus, mainly dependent for its livelihood on agriculture, which is always prone to adverse effect of natural calamities like droughts, floods, frosts, hailstorms etc.

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8. According to census data, the share of labour force(i.e. persons in the age group of 15-59 years) in the total population of the State was 51.4 per cent both in 1971 and 1981, as against the corresponding shares of 52.0 per cent and 53.9 per cent at the national level. The share of the State's working force in the labour force declined from 60.2 per cent in 1971 to 59.8 per cent in 1981. Accordingly, the share of workers in the state's total population also came down from 30.9 per cent in 1971 to 30.7 per cent in 1981. On the contrary, the share of workers in the Country's labour force increased from 63.3 per cent to 68.2 per cent and the share of workers in the total population at the national level increased from 32.9 per cent to 36.8 per cent during the same period. As a result of comparatively higher increase in the working force of the country (excluding Assam), the share of this force in U.P. came down from 15.2 per cent in 1971 to 13.9 per cent in 1981. In other words, the increase in the total population of the state was accompanied by an increase in the share of non-working population. This took place only because employment opportunities in the State could not grow in commensuration with the increase in the population and labour force.

Table-1 :
Demographic Situation

Item	Uttar Pradesh		India	
	1971	1981	1971	1981
1	2	3	4	5
1. Population ('000)	88341	110862	548160	665288
2. Labour Force 15-59 Years('000)	45392	56957	285009	358680
3. % Labour Force to total population	51.4	51.4	52.0	53.9
4. Total Workers('000)	27334	34051*	180373	244605*
5. % of Workers to total Labour Force	60.2	59.8	63.3	68.2
6. % of workers to total population	30.9	30.7	32.9	36.8

* Includes 1654 thousand marginal workers in U.P. and 22088 thousand marginal worker in India.

Structure of Land Holdings

9. The share of the State in the total number of country's cultivators is 20.5 per cent, as against its share of 9.8 per cent in the reporting area and 12.3 per cent in the total net area sown (1986-87). The net area sown per cultivator is 0.9 hectare (1986-87) which is only 60 per cent of the national average (1.5 hectare), 37.5 per cent of Punjab (2.4 hectare) and 40.9 per cent of Haryana (2.2 hectare). This is so on account of the abundance of uneconomic, submarginal and marginal holdings in the state. Of the total number of 178.17 lakh operational

holdings in the State (1980-81), marginal holdings of less than one hectare accounted for 70.6 per cent covering only 25.7 per cent of the total area. The share of marginal holdings in the state is highest among all the major states except Kerala and Bihar. The share of such holdings is as low as 19.2 per cent in Punjab and 42.2 per cent in Haryana. According to the latest agricultural census of 1985-86, the share of marginal holdings has risen to 72.6 per cent of the total holdings (189.85 lakh) covering 28.3 per cent of the total area. The preponderance and rising shares of marginal holdings both in total holdings and area have adverse impact on making investment in agriculture thereby making it difficult to achieve higher productivity in agriculture.

Major Agricultural Productions Groups

10. The share of area under foodgrains in the gross cropped area is 82.4 per cent (1986-87). This is highest amongst all the major states except Bihar (90.2 per cent) and is also higher than 72.0 per cent of the country. The main thrust in the state is thus, on foodgrains production which is economically not so remunerative as other non food and cash crops. Naturally, this is affecting the pace of developing the economic condition of cultivators & agricultural labourers, who comprise a major share of state's population. The share of area under commercial crops in the gross cropped area in this state is 17.6 per cent only, as against 26.9 per cent in Haryana, 23.4 per cent in Punjab and 28.0 per cent in the country, as a whole, level.

11. The share of the State in total foodgrains production in the country is 21.0 per cent (1988-89). The production of commercial crops like sugarcane and potato in the state accounts for 43.6 per cent and 44.4 per cent respectively in the country's production. However, the share of the state in the national income originating from agriculture and animal husbandry sector is 14.8 per cent only.

Productivity

12. The productivity of foodgrains in the State is 18.21 qtls. per hectare (1988-89) which is 60.9 per cent and 56.5 per cent of this productivity in Haryana and Punjab respectively. The productivity of sugarcane in terms of Gur in the State is 50.26² qtls. per hectare (1988-89). This is 61.9 per cent of Maharashtra, 59.6 per cent of Gujarat, 64.2 per cent of Karnataka, 70.6 per cent of Andhra Pradesh and 89.3 per cent of Punjab. Similarly, the productivity of potato in the State (184.05 qtls. per hectare) is only 79.9 per cent of West Bengal, 88.4 per cent of Gujarat and 89.2 per cent of Punjab. There is thus, considerable scope for raising productivity of these crops in the state.

Irrigation Potential

13. Irrigation potential of 216.16 lakh hectares has been

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created in the State till 1987-88 but the gross irrigated area accounts for 64.4 per cent only (139.20 lakh hect.) of this potential. The utilization of irrigation potential is, thus, low and this calls for several measures for increasing utilization of the irrigation potential already created. The state is richly endowed with groundwater resource but its optimal use has not been made so far and only 35 per cent of the ground water resource (net recoverable recharge) is utilised in the State (December 1986).

Power

14. Power is the most critical infrastructure for economic development and social upliftment of the people. The installed capacity of power in the State is 5417⁴ MW (1988-89) which constitutes 9.2 per cent only of the total installed capacity of the country. Similarly, the share of this State in the generation and consumption of power remained below 10 per cent of the country's total power generation and consumption. The per capita consumption of power in the state is 143 KWh⁴ (1988-89) only as against all India average of 216 KWh. Of the total power generation in this State, the share of thermal power is as high as 74.7 per cent and the rest 25.3 per cent is hydro power. In order to boost power generation in the State, utilization of hydro-resource for generation of power is very important.

Regional Disparities

15. The State has marked regional disparities in the field of the pattern of land holdings, gross value of agricultural produce per hectare of net area sown, per capita net domestic output and per cultivator net area sown. The share of sub-marginal and marginal holdings of less than one hectare in the total number of holdings is as high as 81.4 per cent in Eastern region as against 72.6 per cent at the state level (1985-86). The other four economic regions had this percentage below the State average, ranging from 47.3 per cent in Bundelkhand region to 72.1 per cent in Central region. The average size of holdings in the state is 0.93 hectare, as against 0.68 hectare in Eastern region, 0.90 in Central region, 0.95 in Hill region, 1.13 hectare in Western region and 1.89 hectare in Bundelkhand region.

16. The gross value of agricultural produce per hectare of net area sown is Rs.4288 (1986-87) in Bundelkhand region which happens to be the lowest amongst all the economic regions and is also lower than the State average of Rs.7424. The per capita net domestic output (based on 5 commodity producing sectors) is Rs.875 in Eastern region as against the State average of Rs.1114 (1986-87).

17. The per cultivator net area sown is 0.60 hectare in Hill region, 0.77 hectare in Central region, 0.78 hectare in Eastern region as against the State average of 0.90 hectare (1987-88). Bundelkhand region and Western region were ahead of the State average on this scale. The relevant figures are shown in the

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following table :-

Table-2

Region-wise Indicators of Some Selected Items

Region	% of Marginal holding to total holding (1985-86)	Average Gross size of land holdings (Hect.) (1985-86)	Average Gross value of agri-cultural produce per hect. of net area sown in Ra. (1986-87)	Per capita net domestic output in Ra. (1986-87)	Per cultivator net area sown in hect. (1987-88)	
1	2	3	4	5	6	7
1. Bundelkhand	47.3	1.89	4288	1322	1.99	
2. Eastern	81.4	0.68	7049	875	0.78	
3. Central	72.1	0.90	6922	1011	0.77	
4. Hill	70.9	0.95	9465	1366	0.60	
5. Western	65.0	1.13	8742	1358	1.01	
State	72.6	0.93	7424	1114	0.90	

18. Of the five economic regions in the State, Hill region is already recognised as a special problem area. The Western region is comparatively more developed. The remaining three regions constituting 64.2 per cent of the total population of the State form a problematic area from the point of view of overall development of the State. Accordingly, some long term measures are needed to remove the bottle necks hampering the development of these three regions.

Backwardness

19. Agriculture is the main stay of the state's economy, as 74.5 per cent of the main workers are engaged in agricultural activities (1981). Agriculture (including animal husbandry) sector contributes the largest share of 41.8 per cent in the total state income (1988-89) as against the corresponding share of 34.6 per cent in the national economy. The income of animal husbandry sector constitutes a very small percentage in the total income originating from agriculture and animal husbandry sectors. This only shows the dependence of state's economy on agriculture.

20. Milk and eggs are not only the principal sources of income in animal husbandry but are also a source of protein to maintain the health of the people. However, the per capita availability of the above two items in the state is very low. The milk production of 91.60 lakh tonnes² in the state (1988-89) is highest amongst all the major states but in term of per capita availability of

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milk, the state (70.6 Kg) is far behind the states of Punjab (243.2 Kg) and Harayana (183.4 Kg). The production of eggs in the State is 4500 lakh⁵ (1988-89) and the state with per capita availability of 3 eggs (1988-89) stands lowest amongst all the major states.

Industry

21. The process of industrialisation in the State has been slow. This is evident from the fact that as per sample census 1981, 9.1 per cent of the total main workers were engaged in various categories of Industries (Household and non-household) in this State as against the national average of 11.3 per cent. The State contributes only 11.6 per cent to the total industrial main workers of the country as against the State's share of 14.6 per cent in the total main workers of the country. The percentage of industrial main workers to total main workers in this State is also the lowest among all the major states excepting Rajasthan (9.0), Madhya Pradesh (7.9), Orissa (7.0) and Bihar (6.3).

22. The process of industrialisation in the State picked-up momentum during the Sixth Plan period when as a result of the creation of proper infrastructure, a large number of major, medium and small industries were attracted to the State. Accordingly, the value of output⁶ of all industries in the State recorded an increase of 156.1 per cent during the period 1980-85 and of 39.9 per cent during the period 1985-87. Similarly, value added⁷ of all industries in the State also registered an increase of 153.9 per cent and 61.3 per cent respectively during the same period.

23. The performance of agro-based industries, however, is not satisfactory in the state. The share of these industries in the total value of output decreased from 26.6 per cent in 1979-80 to 20.5 per cent in 1986-87. Likewise, the share of agro-based industries in the total value added by all industries also came down from 17.4 per cent in 1979-80 to 14.9 per cent in 1986-87.

Backwardness of the State

24. The Problems of over-all development of the state are multi-dimensional. As already stated, the share of rural population in the total population of the State is 82.1 per cent (1981 Census), as against the corresponding share of 76.7 per cent at the national level. The component of scheduled castes population in the total population of the State is 21.2 per cent as against the corresponding share of 15.3 per cent in the country's total population. The share of cultivators (including agricultural labourers) in total main workers in the State is 74.5 per cent as compared to the corresponding share of 66.5 per cent at the national level. The average size of operational land holdings in the State is 1.0 hectare (1980-81) as against 1.8 hectates in the country. The extent of literacy in the State is

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only 27.2 per cent as against the national average of 36.2 per cent. All these factors together with inadequacy of investment in the State are mainly responsible for hampering the pace of its development. The share of per capita state income in the per capita national income at current prices, declined from 78.9 per cent in 1980-81 to 70.4 per cent in 1988-89. Accordingly the gap between the per capita national income and per capita state income also increased from Rs. 343* in 1980-81 to Rs. 1137 in 1988-89. The average daily number of workers in registered working factories per lakh of population is 450* (1986-87) as against the national average of 754 workers. The value added per industrial worker amounts to Rs. 41618* (1986-87) as against the national average of Rs. 44003. In terms of per capita consumption of electricity, the state stands far behind the national average as it is only 143 units in this State (1988-89) in comparison to 216 units at the national level. Only 68 per cent of the inhabited villages could be electrified in the State till the end of 1987-88 as against 75 per cent at the national level. In Haryana, Himachal Pradesh, Kerala and Punjab cent per cent of the inhabited villages have already been electrified. The density of surfaced roads (per lakh of population) in the State is 45.6 Kms. (1983-84) as compared to the national average of 64.1 Kms. The number of junior basic schools for one lakh of population stands at 59 in this state (1987-88) as against the corresponding average of 69 schools at the national level. The state has 3 allopathic hospitals/dispensaries and 52 beds therein for one lakh of population as on January 1, 1988. These averages are lower than the corresponding average of 5 hospitals/dispensaries and 78 beds at the national level. The birth, death and infant mortality rates per thousand in the state have always remained higher than the national averages. The birth rate, death rate and infant mortality rates are 37.1, 13.2 and 124.0 per thousand in the State (1988)¹⁰ as against 31.5, 11.0 and 94.0 at the national level.

Inadequacy of Investment

25. The per capita income at current prices in Uttar Pradesh is Rs. 2698¹¹ (1988-89). This is 70.4 per cent of the per capita income at the national level, 51.2 per cent of Haryana and only 43.3 per cent of Punjab. Because of its lower per capita income, the State's capacity to raise its own resources is severely

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11. Appendix-IV

constrained. This is evident from the fact that the per capita own tax revenue of Rs.135¹² (1987-88 RE) happens to be the lowest amongst all the major states but for Bihar (Rs.93). This is as high as Rs.453 in Punjab, Rs.438 in Maharashtra and Rs.432 in Haryana. The share of per capita own tax revenue in the per capita state income is 5.7 per cent in this state. This is again the lowest amongst all the major States except Bihar (4.7 per cent). The share of 13.0 per cent was the highest in Kerala followed by 10.9 per cent in Karnataka, 10.8 per cent in Andhra Pradesh, 10.7 per cent in Gujarat and 10.2 per cent in Tamilnadu. These shares in Haryana and Punjab were 10.1 per cent and 8.1 per cent respectively.

26. The institutional finance mobilised in the State is also very low. The per capita advances made by the scheduled commercial banks in the state amounts to Rs.414¹³ (December 1987). This is lowest amongst all the major States except Bihar (Rs.270) and was also lower than the all state's average of Rs.859. The per capita advances in the State is only 48.2 per cent of the all state's average.

27. Besides scheduled commercial banks, certain central term lending financial institutions like the Industrial Development Bank of India, Industrial Finance Corporation of India and Industrial Credit and Investment Corporation of India are also giving advances to the states for developmental programmes. The per capita cumulative advances disbursed by these institutions taken together till March 1987 amounts to Rs.185¹⁴ in the State. This is lowest amongst all the major States except Bihar (Rs.78) and is also lower than the all states average of Rs.317. Per capita cumulative advances in the developed states like Gujarat (Rs. 818), Maharashtra (Rs.590), Haryana (Rs.531), Tamil Nadu (Rs.475), Karnataka (Rs.458) and Punjab (Rs.424) are much higher than this State.

28. The plan outlays and central assistance have a crucial bearing on development. Although the total plan outlay of the State increased substantially during the successive plan periods, the per capita outlays¹⁵ have been generally lower than all state's average and also lower than most of the major states. The per capita plan outlay of Rs.695 in the State (1951-79)¹⁵ is lower by 14.0 per cent in comparison to the all state's average of Rs.808 and is also lowest amongst all the major states excepting West Bengal (Rs.631) and Bihar (Rs.498). The per capita plan outlay of Rs.568¹⁵ allocated to this State (1980-85) is also lower by 18.2 per cent than all state's average of Rs.694 and is lowest amongst all the major states except West Bengal (Rs.432) and Bihar (Rs.408). The per capita approved plan outlay of Rs.822¹⁵ allocated to this State (1985-90) is again 18.6 per

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15. Appendix-XII

cent less than all states average of Rs.1010 and is also less than all the major states except Karnataka (Rs.821), Kerala (Rs.734), Rajasthan (Rs.734), West Bengal (Rs.665) and Bihar (Rs.634).

29. In terms of per capita central assistance¹⁴ also, the position of the State remains generally lower than the all state's average. The per capita central assistance of Rs.331¹⁴ allocated to this State (1951-79) is lower by 11.7 per cent in relation to all state's average of Rs.375 and is also lower than all the major states except Gujarat (Rs.320), Tamil Nadu (Rs.319), Bihar (Rs.300), West Bengal (Rs.297), Haryana (Rs.287) and Maharashtra (Rs.256). The per capita central assistance of Rs.192¹⁴ of the State (1980-85) is also 16.5 per cent less than all state's average of Rs.230 and is also lower than all the major states except Kerala (Rs.185), Gujarat (Rs.183), Andhra Pradesh (Rs.182), Maharashtra (Rs.165), Tamil Nadu (Rs.153), Karnataka (Rs.142) and West Bengal (Rs.135). The per capita central assistance amounting to Rs.284¹⁴ allocated to this State (1985-90) is again lower by 19.3 per cent than all state's average of Rs.352 and is also lower than all the major states except Rajasthan (Rs.279), Gujarat (Rs.271), Andhra Pradesh (Rs.268), Tamil Nadu (Rs.267), Haryana (Rs.253), Maharashtra (Rs.248), Punjab (Rs.246), Karnataka (Rs.205) and West Bengal (Rs.196).

30. Because of the lower per capita plan outlays and central assistance together with state's poor capacity to raise its own resources, the per capita developmental expenditure in the State has remained very low. This is evidenced from the fact that the per capita developmental expenditure amounting to Rs.177¹⁷ in 1980-81, Rs.329 in 1984-85 and Rs.406 in 1987-88 in this state is lower than all state's average of Rs.236, Rs.414 and Rs.628 during the same period. The per capita developmental expenditure of this state is thus, 75.0 per cent, 79.5 per cent and 64.6 per cent of the all state's average during the aforesaid years. The per capita developmental expenditure in Punjab and Haryana were much higher than this state as well as all state's average.

Growth Profile

31. Income is a composite indicator most suited for judging the over-all performance of the economy in the State. The total state income of Uttar Pradesh at current prices increased from Rs.14079 crore in 1980-81 to Rs.21136 crore¹⁷ in 1984-85 and to Rs.35026 crore in 1988-89 but its contribution in the national income decreased from 12.7 per cent in 1980-81 to 11.5 per cent in 1984-85 and to 11.4 per cent in 1988-89.

32. The income estimates at current prices are affected by increases both in production and in prices. These estimates are not used in working out the growth rates in income. These estimates at constant prices are, therefore, computed to assess

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the real growth (or growth in income) in the economy. However, the income at current prices really matters in every day life, and it is this income which is shared between persons on the one hand and between states on the other.

33. The per capita income^{1*} at current prices in the state increased from Rs.1284 in 1980-81 to Rs.1768 in 1984-85 and to Rs.2698 in 1988-89. But the gap in the per capita national and state income increased from Rs.343 in 1980-81 to Rs.726 in 1984-85 and to Rs.1137 in 1988-89.

34. In terms of per capita income, this State lagged behind the national average and most of the major states. The State had a per capita income of Rs.2698 at current prices in 1988-89 which was 29.6 per cent lower than the national average of Rs.3835. It was also much lower than the advanced states like Punjab (Rs.6227), Haryana (Rs.5274) and Maharashtra (Rs.5155).

35. In order to assess the relative importance of the major sectors in the over-all economy of the State, it is relevant to study the structure of states income also. The data shown in the following table reveals that the structure of the State income has undergone significant changes during a short period of eight years since 1980-81.

Table-3

Structure of Income in Uttar Pradesh (at Current Price)
(per centage)

Sector	1980-81	1984-85	1988-89
1	2	3	4
1-PRIMARY	52.4	44.8	43.5
(i) Agriculture and Animal Husbandry	48.7	42.9	41.8
2-SECONDARY	15.9	18.7	19.9
(i) Manufacturing	10.7	12.3	13.5
(a) Registered	4.3	5.8	7.3
(b) Un-Registered	6.4	6.5	6.2
3-TERTIARY	31.7	36.5	36.6
(i) Transport, Communication and Trade	16.3	19.5	19.6
(ii) Finance and Real Estate	6.9	6.8	6.2
(iii) Community and Personal services	8.5	10.2	10.8
TOTAL	100.0	100.0	100.0

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36. The share of primary sector (comprising agriculture including animal husbandry, forestry, fishing and mining) in the total state income declined from 52.4 per cent in 1980-81 to 44.8 per cent in 1984-85 and to 43.5 per cent in 1988-89. The share of agriculture and animal husbandry sector, which is most important from the view point of the income of primary sector as well as of the total state income, also declined from 48.7 per cent in 1980-81 to 42.9 per cent in 1984-85 and to 41.8 per cent in 1988-89. Thus, a decline of 5.8 percentage points during 1981-85 and of 1.1 percentage points during 1985-89 is observed in the share of income originating from agriculture and animal husbandry sector as against the corresponding decline of 7.6 percentage points and 1.3 percentage points in the income of primary sector.

37. The share of secondary sector (comprising mainly manufacturing and construction sectors) moved up from 15.9 per cent in 1980-81 to 18.7 per cent in 1984-85 and to 19.9 per cent in 1988-89. The manufacturing sector contributes the maximum share to the income of secondary sector. Its share also rose from 10.7 per cent in 1980-81 to 12.3 per cent in 1984-85 and to 13.5 per cent in 1988-89. The manufacturing sector has two components viz., registered manufacturing sector and unregistered or unorganised manufacturing sector. The shares of these components have undergone significant changes since 1980-81. The share of unregistered manufacturing sector (comprising mainly the entire village industries and a bulk of the small industries) declined from 6.4 per cent in 1980-81 to 6.2 per cent in 1988-89 while the share of registered manufacturing sector increased from 4.3 per cent to 7.3 per cent during the same period. The changes in these shares are indicative of the fact that even after deploying large funds during these years for the promotion of industries in unorganised sector with the objective of employment promotion, the response does not seem to be satisfactory.

38. The tertiary sector comprises the main sub sector of "Transport, communication & Trade", "Finance, & real estate" and "Community & personal services". Of these three sub-sectors, the 'Transport Communication & Trade' sector is more prominent for the income of the tertiary sector. The share of tertiary sector in the total state income increased from 31.7 per cent in 1980-81 to 36.6 per cent in 1988-89. Likewise, the share of "Transport Communication & Trade" sector also moved up from 16.3 per cent to 19.6 per cent and that of the "Community and personal services" moved up from 8.5 per cent to 10.8 per cent during the same period. However, the expansion of transport, communication & trade activities are closely linked to the growth of commodity producing sectors. A higher growth in production always leads to a higher growth in 'Trade & Transport' sector. Besides, this sub-sector provides large scale employment outside the govt. on a dispersed basis. A higher growth in this sub-sector leads to higher growth in non-govt. employment.

39. The growth rates in different sectors of the State's economy at different periods of time are given in the following table-4.

Table-4

Sectorwise Annual Growth Rates (By Value Added)

(per centage)

Sector	From 1981-82 to 1984-85	From 1985-86 to 1988-89	From 1981-82 to 1988-89
1	2	3	4
1-PRIMARY	1.8	4.3	3.1
(i) Agriculture and Animal Husbandry	2.8	4.3	3.5
2-SECONDARY	6.3	7.9	7.1
(i) Manufacturing	8.6	9.6	9.1
(a) Registered	14.2	13.3	13.7
(b) Un-Registered	4.3	5.5	4.9
3-TERTIARY	4.9	6.0	5.4
(i) Transport, communica- tions and trade	3.7	5.2	4.4
(ii) Finance and real estates	7.0	6.8	6.9
(iii) Community and personal services	5.3	6.6	6.0
ALL SECTORS	3.6	5.5	4.5
PER CAPITA INCOME	1.4	3.4	2.4

40. It will be seen from the table that growth in primary sector has not been either consistent or stable. The annual growth rate of this sector increased from 1.8 per cent during the period 1981-85 to 4.3 per cent during the period 1985-89. Likewise, the growth rate in agriculture and animal husbandry sector also moved up from 2.8 per cent per annum to 4.3 per cent per annum during the same periods. During the entire period of 1981-89, annual growth rate in primary sector and in agriculture and animal husbandry sector stand at 3.1 per cent and 3.5 per cent respectively.

41. The annual growth in secondary sector moved up from 6.3 per cent during the first four years to 7.9 per cent in the latter four years of the period 1981-89. Similarly, the growth in manufacturing sector during the same period also rose from 8.6 per cent to 9.6 per cent. Amongst the components of manufacturing sector, the annual growth rate in registered manufacturing sector was more pronounced as it always remained more than 13 per cent during different periods under reference while the unregistered manufacturing sector recorded a growth rate around 5 per cent. This pattern of growth in manufacturing sector indicates that the development of industries under unregistered sector could not come up according to expectations during this period.

42. The growth in tertiary sector rose from 4.9 per cent in the first half to 6.0 per cent in the latter half of the period 1981-89. Amongst the components of this sector, the growth in

'Transport, Communication & Trade' sector was 3.7 per cent during the first half and 5.2 per cent during the latter half of the period 1981-89. This was lower than the corresponding growth rates of 7.0 per cent and 6.8 per cent in 'Finance & real estate' and of 5.3 per cent and 6.6 per cent in 'Community & Personal Services'. A comparatively lower growth rate in 'Transport, Communication & Trade' sector is the consequence of a lower growth in commodity producing sectors. This trend is disquietening.

43. Because of the variations in growth in different sectors, the over-all economy of the State recorded an annual growth rate of 3.6 per cent during 1981-85, 5.5 per cent during the period 1985-89 and of 4.5 per cent during the entire period of 1981-89.

Consumption Expenditure

44. The pattern of consumption expenditure gives some idea of the purchasing power. The per capita monthly consumption expenditure in the state, based on different rounds of N.S.S., is given in the following table :-

Table-5

Per Capita Per Month Consumption Expenditure in U.P.
(in Rs.)

PERIOD	RURAL	URBAN	COMBINED	SHORT FALL IN RURAL EXPENDITURE(3-2)
1	2	3	4	5
1967-68	33.25	42.02	34.48	8.67 (21.34)
1973-74	52.84	58.69	58.69	5.85 (9.96)
1977-78	67.34	82.50	70.06	15.16 (18.37)
1983	104.49	135.48	110.05	30.99 (22.87)
1986-87	138.77	188.41	147.68	49.64 (26.34)

Note: Figures in brackets in Col.5 denote per centage shortfalls.

45. It will be seen from the table that the per capita monthly consumption expenditure in rural areas of the state was always lower than that in the urban areas. It is also disturbing to note that the nominal gap of Rs. 5.85 between these expenditures in 1973-74 increased to Rs.49.64 in 1986-87.

Poverty

46. One of the basic objective of planning has been to improve the standard of living and quality of life of its people, particularly of the unprivileged segment of the population. It

is, therefore, imperative to have an idea of this segment of the population also. As per latest available data of poverty for 1983-84, this state has the highest incidence of poverty (45.3 per cent) except Bihar (49.5 per cent) and Madhya Pradesh (46.2 per cent), against the national average of 37.4 per cent.

Table-6

Population Below Poverty Line

(in Lakh)

AREA	UTTAR PRADESH			INDIA		
	1977-78	1983-84	INCREASE IN 1983-84 OVER 1977-78	1977-78	1983-84	INCREASE IN 1983- 84 OVER 1977-78
1	2	3	4	5	6	7
Rural	422.8	440.0	17.2	2521.0	2215.0	(-)306.0
Urban	83.2	90.6	7.4	547.0	495.0	(-) 52.0
Total	506.0 (49.7)	530.6 (45.3)	24.6	3068.0 (48.5)	2710.0 (37.4)	(-)358.0

(Figures in parenthesis indicate percentage to total population)

47. There has been a reduction in the percentage of population living below poverty line both at the state and national level in 1983-84 over 1977-78. However, the pace of this reduction was more prominent at the national level as the percentage of population living below poverty declined from 48.5 per cent to 37.4 per cent at the national level while the reduction at the state level was from 49.7 per cent to 45.3 per cent.

48. The magnitude of this problem would well be realised when it is viewed in terms of absolute numbers. The population below poverty line in the state increased from 506.0 lakh in 1977-78 to 530.6 lakh in 1983-84, increase being 4.9 per cent while at the national level it decreased from 3068.0 lakh to 2710.0 lakh during the same period, the decrease being 11.7 per cent. In the total addition of 24.6 lakh in the population below poverty line in the state, the share of rural poors is nearly 70 per cent.

49. The factors like fragmentation of land (marginal holding increased from 126 lakh in 1980-81 to 136 lakh in 1985-86), higher percentage of scheduled castes population in the total population of the state (21.2 per cent), higher share of rural scheduled castes population in the total scheduled castes population (89.5 per cent), the higher share of cultivators and agricultural labourers in total main workers (74.5 per cent), the poor performance and progress of agro-based industries and lower purchasing power of the rural population mainly account for the higher incidence of poverty in this State.

Brief Review of Seventh Plan (1985-90)

50. Having made some general points pertaining to state's economy, it will be useful at this stage to review briefly the progress of state's seventh plan also. The total foodgrains production in the State was 299.18 lakh tonnes in the base year 1984-85 of the Seventh Plan. A target of 363.00 lakh tonnes of foodgrains production was fixed for the terminal year (1989-90) of the plan. The foodgrains production in the State increased to 314.26 lakh tonnes in 1985-86 but due to unfavourable weather conditions in 1986-87 and the worst drought of 1987-88, it declined to 302.99 lakh tonnes and 286.96 lakh tonnes in these years. It touched the highest level of 354.28 lakh tonnes in 1988-89 but again it slipped down to 336.92 lakh tonnes in the terminal year of the Seventh Plan due to inadequacy of rains. The production level of foodgrains in 1989-90 was 12.6 per cent higher than that of 1984-85 but remained only 92.8 per cent of the target fixed for the Seventh Plan.

51. The production of commercial crops like sugarcane, potato and major oil-seeds in the State recorded an increase of 37.0 per cent, 17.3 per cent and 18.3 per cent respectively during the Seventh Plan, as the production of these crops rose from 708.88 lakh tonnes to 971.28 lakh tonnes, from 54.49 lakh tonnes to 63.93 lakh tonnes and from 9.64 lakh tonnes to 11.40 lakh tonnes during this period. However, the production levels of these crops in 1989-90 were only 98.1 per cent, 86.9 per cent and 54.2 per cent respectively in relation to their respective targets of 990.00 lakh tonnes, 73.60 lakh tonnes and 21.05 lakh tonnes fixed for the Seventh Plan.

52. The consumption of chemical fertilizers in the State increased from 16.13 lakh tonnes in 1984-85 to 21.36 lakh tonnes in 1988-89. This consumption is anticipated to move up to 22.93 lakh tonnes in 1989-90. Even after an increase of 42.2 per cent in the consumption of fertilizers in the state during 1985-90, it would be 71.7 per cent of the target (32.00 lakh tonnes), fixed for the Seventh Plan.

53. The production of milk in the state increased by 14.3 per cent from 77.23 lakh tonnes in 1984-85 to 88.35 lakh tonnes in 1988-89. This level is anticipated to increase further to 92.10 lakh tonnes by the end of 1989-90. The achievement meets the target of 92.10 lakh tonnes fixed for the Seventh Plan. The production of fish in the state rose from 49.7 thousand tonnes in 1984-85 to 90.6 thousand tonnes in 1988-89 and is expected to increase further to 100.0 thousand tonnes in the terminal year of the Seventh Plan (1989-90). This would be the same as the target fixed for the Seventh Plan.

54. The irrigation potential in the State rose from 188.17 lakh hectares in 1984-85 to 239.78 lakh hectares in 1989-90, registering an increase of 27.4 per cent. An additional irrigation potential of 51.61 lakh hectares was thus created in the State through major, medium and minor irrigation works during the Seventh Plan period as against a target of 48.40 lakh hectares.

55. Industrial production in the State increased considerably during the period 1985-89 of Seventh Plan. The industrial production index (1970-71=100) of U.P. moved-up by 10.14 per cent per annum from 276.6 in 1984-85 to 407.0 in 1988-89.

56. The installed capacity (State Sector) in the State registered an increase of 30.6 per cent during the period 1985-89, when it moved up from 4148 M.W. in 1984-85 to 5417 M.W. in 1988-89. It is anticipated that this would increase further to 5531 M.W. by the end of 1989-90. Even then, this anticipated achievement is only 95.8 per cent of the targetted installed capacity of 5774 M.W. The number of electrified villages in the State increased by 22.9 per cent from 63075 in 1984-85 to 77526 in 1988-89. Similarly, the number of electrified Harijan bastis also rose from 29601 in 1984-85 to 45751 in 1988-89. The number of energised pumpsets/tubewells increased from 5.09 lakh to 6.17 lakh during the same period. It is expected that the number of electrified villages, harijan bastis and energised pump sets/tubewells would move further to 81281, 48362 and 6.39 lakh respectively by the end of 1989-90 as against the respective targets of 88245 electrified villages, 53901 electrified Harijan bastis and 7.32 lakh energised pumpsets/tubewells. The per centage achievement against the targets remained 92.11, 89.72 and 87.30 respectively.

57. As per the latest figures available, the total length of surfaced and unsurfaced roads in the state increased form 82.2 thousand Kms. in 1984-85 to 89.4 thousand Kms. in 1989-90 (anticipated). This anticipated achievement is 21.8 per cent higher than the target of 73.4 thousand Kms.

58. The number of Junior Basic Schools, Senior Basic schools and Higher Secondary Schools in the State was 72969, 14614 and 5644 respectively in 1984-85 which increased to 74302, 14549 and 5946 respectively in 1989-90. The number of Junior Basic Schools and Senior Basic Schools fell short of their respective targets of 75702 and 14812 schools but the number of Higher Secondary schools slightly exceeded the target of 5850 schools. The enrollement in these institutions increased from 116.09 lakh to 130.07 lakh, from 21.63 lakh to 29.30 lakh and from 42.21 lakh to 45.90 lakh respectively during the same period. In the case of Junior Basic Schools and Senior Basic Schools the enrollement fell short of the target of 147.16 lakh and 43.20 lakh while that in the Higher Secondary schools exceeded the target of 28.81 lakh.

59. The number of villages covered under safe drinking water facility in the State was 40070 in 1984-85, out of which 34144 villages were problem villages. In 1988-89, the number of total villages and problem villages covered under drinking water facility was 84381 and 73252 respectively. It is expected that the total number of villages under safe drinking water facility would further move to 94975 (including 76701 problem villages) by the end of the Seventh Plan period. Thus, 54905 total villages, 42557 problem villages and 12348 non-problem villages were covered under drinking water facility during the period 1985-90, which was 78.87 per cent, 70.36 per cent and 135.16 per cent of the target of 69617, 60481 and 9136 villages respectively.

60. The over-all economy of the state registered an annual growth rate of 5.5 per cent during the period 1985-89. However, according to the available data, the production of foodgrains in the State considerably declined in 1989-90. Accordingly, the income originating from agriculture sector in 1989-90 is anticipated to remain only around the level of 1988-89. The performance of manufacturing sector also stood below expectations and the income from this sector in 1989-90 is anticipated to record an increase of only about 3.0 per cent over 1988-89. According to these broad indications, the growth in the over-all economy of the State is expected to be of the order of 5.0 per cent per annum for the entire Seventh Plan period as against a target of 6.0 per cent.

Emerging Points

61. Some of the main points that emerge from what has been stated in the preceding paragraphs are (1) the incidence of poverty in the state is very high particularly in its rural areas, (2) there is a wide gap between the per capita income of the State and of the country as well as some other developed states, (3) the incidence of marginal holdings in the state is very high.

The thrust of future plans should, therefore, be on maximising generation of income and employment in primary sector in general and in agriculture and animal husbandry sectors in particular. This requires expansion and greater intensity of irrigation, maximisation of productivity of foodgrains and other commercial crops, extension of area under high value crops like fruits & vegetables and diversification of agriculture into non-farm activities like milk production, poultry etc.

As the problem of poverty is closely associated with the problem of unemployment and under-employment, greater emphasis has to be laid on the expansion and development of village and small scale industries, which are more labour intensive. The expansion and development of agro-based industries should also receive greater attention both for providing more income to rural population and for creating capacities to provide employment in rural areas. The birth rate in the state is higher than the national averages and effective measures are, therefore, required to be taken to reduce population growth in the State not only to bring it on par with that of the country but to contain this growth in due course at a rate lower than the rate of the country. It is only then that coupled with a higher growth in state's economy, it will be possible to reduce disparity in per capita income of the state and the country.

APPENDIX-I

POPULATION DETAILS

STATE	Popula- tion in (1981)	Density (Persons/ Sq. kms.) (1981)	%age of urban Popula- tion (1981)	Sex ratio 1981	Annual growth rate of population %		Population below poverty line % 1983-84		
					1961-71	1971-81	Rural	Urban	Combined
1	2	3	4	5	6	7	8	9	10
1 Andhra Pradesh	536	195	23.3	975	1.88	2.10	38.7	29.5	36.4
2 Bihar	699	402	12.5	946	1.92	2.17	51.4	37.0	49.5
3 Gujarat	341	174	31.1	942	2.56	2.46	27.6	17.3	24.3
4 Haryana	129	292	21.9	870	2.77	2.55	15.2	16.9	15.6
5 Karnataka	371	194	28.9	963	2.15	2.39	37.5	29.2	35.0
6 Kerala	255	655	18.7	1032	2.31	1.77	26.1	30.1	26.8
7 Madhya Pradesh	522	118	20.3	941	2.50	2.27	50.3	31.1	46.2
8 Maharashtra	628	204	35.0	937	2.41	2.21	41.5	23.3	34.6
9 Orissa	264	169	11.8	981	2.22	1.85	44.8	29.3	42.8
10 Punjab	168	333	27.7	879	1.95	2.16	10.9	21.0	13.8
11 Rajasthan	343	100	12.0	919	2.44	2.87	36.6	26.1	34.3
12 Tamilnadu	484	372	33.0	977	2.00	1.63	44.1	30.9	39.6
13 Uttar Pradesh	1109	377	17.9	885	1.79	2.29	46.5	49.3	45.3
14 West Bengal	546	615	26.5	911	2.36	2.10	43.8	26.5	39.2
India	6852	216	23.3	934	2.20	2.25	40.4	28.1	37.4

APPENDIX-II

ECONOMIC CLASSIFICATION OF MAIN WORKERS (1981 CENSUS)

Industrial Category	INDIA			UTTAR PRADESH		
	RURAL	URBAN	TOTAL	RURAL	URBAN	TOTAL
1	2	3	4	5	6	7
1. Cultivators	90157	2366	92523	18488	470	18958
2. Agricultural Labourers	52713	2787	55500	4841	336	5177
3. Live stock, Forestry, Fishing Hunting and Plantations, Orchards and Allied Activities.	4195	832	5027	118	59	177
4. Mining and Quarrying	793	485	1278	16	4	20
5. Manufacturing, processing, Servicing and Repairs						
(a) Household Industry	5433	2278	7711	764	436	1200
(b) Other than Household Industry	6059	11377	17436	701	1021	1722
6. Constructions	1819	1902	3721	150	180	330
7. Trade and Commerce	4920	9156	14076	455	1014	1469
8. Transport, Storage and Communication	1947	4181	6128	248	417	665
9. Other Services	8398	10719	19117	1245	1434	2679
Total Main Workers	176434	46083	222517	27026	5371	32397
Total Marginal Workers	20874	1214	22088	1593	61	1654
Total Workers	197308	47297	244605	29619	5432	34051

APPENDIX-III

SELECTED INDICATORS OF DEVELOPMENT OF UTTAR PRADESH

ITEM	1978-79	1979-80	1984-85	1985-86	1987-88	1988-89
1	2	3	4	5	6	7
1. Structure of Economy						
1.1 Sectoral Contribution at Constant Prices(1980-81) estimates (%)						
(a) Primary Sector	55.8+	48.3*	49.0	47.8	45.8	46.8
(b) Secondary Sector	17.8+	21.4+	17.7	18.6	19.9	19.4
(c) Tertiary Sector	26.4+	30.3+	13.3	33.6	34.3	33.8
1.2 Sectoral Contribution at current prices (%)						
(a) Primary Sector	50.2+	45.2+	44.8	44.9	42.0	43.5
(b) Secondary Sector	18.0+	20.4+	18.7	19.1	20.0	19.9
(c) Tertiary Sector	31.8+	34.4+	36.5	36.0	38.0	36.6
2. Agriculture						
2.1 Average yield (qt./hect.)						
(a) Wheat	15.50	13.14	18.69	20.00	19.74	22.54
(b) Rice	11.59	5.06	13.00	14.88	13.57	17.52
(c) Pulses	7.62	5.29	9.37	8.93	7.91	9.13
(d) Sugar cane	381.46	373.17	459.36	490.19	516.65	502.60
(e) Potato	155.10	130.81	170.00	131.69	193.73	183.98
(f) Oilseeds (pure)	4.80	3.35	6.02	5.84	5.77	7.73
2.2 Production (Lakh M.T)						
(a) Foodgrains	231.08	164.39	299.18	314.26	286.96	354.28
(b) Potato	42.96	31.63	54.49	39.40	63.31	63.33
(c) Oilseeds	15.15	9.64	9.64	8.52	8.17	11.26
(d) Sugar cane	623.24	512.28	708.88	730.37	933.50	885.23
2.3 Dropping Intensity(%)						
	139.01	139.01	145.65	146.66	142.66	N.A.
2.4 Gross Irrigated area as per-centage of Gross cropped area						
	43.52	44.74	50.66	51.04	56.99	N.A.
2.5 Consumption of Fertilizer(kg./hect.)						
	43.50	45.30	64.19	77.97	65.39	84.76

+ Figures are according to the old series of 1970-71 as base year

N.A. = Not Available. E = Estimated. * Provisional.

APPENDIX-III (Concl.d.)

SELECTED INDICATORS OF DEVELOPMENT OF UTTAR PRADESH

ITEM	1978-79	1979-80	1984-85	1985-86	1987-88	1988-89
1	2	3	4	5	6	7
3. Industry						
3.1 Production:						
(a) Vanaspati(,000M.T.)	120	96	137	145	153	156
(b) Sugar (,000M.T.)	1797	1304	1736	1554	2606	2684
(c) Cement (,000 M.T.)	563	450	948	1146	1165	1101
(d) Cotton Textile (Lakh Mtrs)	2287	1897	1953	2008	1642	1566
(e) Cotton Yarn (Lakh kg)	733	581	1316	1246	1294	1276
4. Power :						
4.1 Electrified villages(no.)	36298	38577	63075	67561	75749	78526
4.2 Electrified Harijan Basties (no.)	12453	14014	29601	34883	43528	45751
4.3 Per capita Power consumption (KWH)	76	87	109	117	135	143
4.4 Power consumption by categories (%)						
(a) Industry	51.69	47.93	38.81	38.68	33.38	33.70
(b) Irrigation	31.41	33.49	33.64	32.18	40.92	38.35
(c) Domestic	9.85	10.59	14.37	16.07	12.63	13.46
(d) Others	7.05	7.99	13.18	13.07	13.07	14.49
Medical						
5.1 no. of Hospitals/dispensaries per lakh of population	3	3	3	3	3	N.A.
5.2 No. of Beds in Hospitals/ dispensaries per lakh of population	52	52	50	49	50	N.A.
6. Education						
6.1 Enrolment in junior Basic school (000 No.)	8989	9136	11609	11086	12436E	12618E
6.2 Enrolment in senior Basic school (000 No.)	2593	1725	2163	3761	3878E	3931E

+ Figures are according to the old series of 1970-71 as base year
 N.A. = Not Available. E = Estimated. * Provisional.

APPENDIX - IV

ECONOMIC AND SOCIAL INDICATORS OF MAJOR STATES

State	Literacy percentage 1981	Per capita state domestic product 1988-89		Per-centage share in state domestic product at current prices 1988-89			Growth rate of state economy 1988-89 over the year 1980-81
		Rs.		At current prices	At constant prices (1980-81)	Primary sector	
1	2	3	4	5	6	7	8
1 Andhra Pradesh	29.94	3211	1692	42.2	16.3	41.5	4.5
2 Bihar	26.20	2260 ^a	508 ^a	52.0	19.8	28.2	4.0
3 Gujarat	43.70	3592 ⁺	1948 ⁺	21.6	35.5	42.9	2.0 ⁺
4 Haryana	36.14	5274	3086	45.2	19.2	35.6	13.4
5 Himachal Pradesh	42.48	3614	1948	36.6	21.8	41.6	3.9
6 Karnataka	38.46	3602	2041	36.9	26.9	36.2	5.2
7 Kerala	70.42	2598 ⁺	1386 ⁺	36.9	21.2	41.9	1.2 ⁺
8 Madhya Pradesh	27.87	2404 ^a	633 ^a	48.7	23.9	27.4	5.2 ⁺
9 Maharashtra	47.18	5155	2960	23.6	35.1	41.3	4.5
10 Orissa	34.23	2438 ^a	566 ^a	60.6	11.4	28.0	4.0 ^a
11 Punjab	40.86	6227	3552	47.1	20.2	32.7	5.6
12 Rajasthan	24.38	2122 ⁺	1267 ⁺	44.0	17.2	38.8	3.6 ⁺
13 Tamil Nadu	46.76	3163 ⁺	1943 ⁺	25.0	33.9	41.1	5.4 ⁺
14 Uttar Pradesh	27.16	2698	1547	43.5	19.9	36.6	4.5
15 West Bengal	40.94	3423	1930	36.5	26.8	36.7	4.3
India	36.23	3835	2082	36.4	24.4	39.2	5.3

^a=According to old series with 1970-71 as base

⁺=Relates to the year 1987-88

APPENDIX - IV(Contd.)

State	Average yield of wheat (Kg./Ha.)			Average yield of rice (Kg./Ha.)		
	1978-79	1984-85	1988-89p	1978-79	1984-85	1988-89 P
1	9	10	11	12	13	14
1 Andhra Pradesh	649	513	676	1861	1976	2571
2 Bihar	1393	1616	1684	986	1039	1144
3 Gujarat	1924	2087	2331	1164	1480	1617
4 Haryana	2300	2593	3406	2680	2447	2399
5 Himachal Pradesh	1127	699	1374	1247	1236	1037
6 Karnataka	649	588	687	2010	2007	2034
7 Kerala	*	*	*	1539	1719	1760
8 Madhya Pradesh	925	1094	1283	736	759	966
9 Maharashtra	802	866	1187	1469	1274	1716
10 Orissa	1847	1790	1760	1007	969	1228
11 Punjab	2715	3288	3668	2918	3073	2772
12 Rajasthan	1444	1625	2240	1112	1253	1422
13 Tamil Nadu	*	444	1000	2251	2138	2962
14 Uttar Pradesh	1550	1869	2254	1159	1300	1752
15 West Bengal	1910	2418	2083	1359	1557	1878
India	1574	1870	2241	1339	1417	1688

*=Not calculated

P=Personal

APPENDIX - IV(Contd.)

State	Average yield of sugarcane (Gur)* (Kg./ha.)			Cropping intensity per centage 1986-87p	Consumption of Fertilizers per hectare of gross cultivated area. 1988-89p (Kg./Ha.)		
					Nitrogen Phosphate Potash		
	1978-79	1984-85	1988-89p		Nitrogen	Phosphate	Potash
1	15	16	17	18	19	20	21
1 Andhra Pradesh	6356	7110	7117	116.4	68.4	30.2	9.4
2 Bihar	2723	3342	4317	137.0	37.4	8.8	3.5
3 Gujarat	5676	7340	8439	113.6+	37.6	17.1	3.9
4 Haryana	3630	4185	5023	156.3	55.3	14.7	0.7
5 Himachal Pradesh	-	1421	670	169.2	17.2	1.0	3.0
6 Karnataka	7139	7786	7826	112.2	30.9	16.2	10.8
7 Kerala	-	5481	6606	130.0	28.6	15.5	28.5
8 Madhya Pradesh	2897	3263	3640	116.3	19.4	10.1	1.6
9 Maharashtra	9210	9011	8113	110.0	27.3	12.5	7.0
10 Orissa	1609	6491	6809	147.9	12.8	3.0	1.7
11 Punjab	5673	6252	5626	171.8	106.0	32.2	1.6
12 Rajasthan	3684	4446	4262	114.3	13.6	4.7	0.3
13 Tamil Nadu	9994	10380	10769	117.4	89.1	39.8	30.8
14 Uttar Pradesh	3815	4594	5026	146.2	63.5	17.3	4.0
15 West Bengal	5872	5746	7088	153.7	43.3	18.7	12.7
India	4911	5767	6067	126.2	39.7	14.4	5.9

*=Not calculated
P=Provisional

APPENDIX - IV(Contd.)

State	Average daily no. of workers in registered working factories per lakh of population 1986-87	Value added per industrial worker (Rs.) 1986-87	Per capita consumption of electricity 1987-88 (K.W.H)	Surfaced road length per hundred sq.km. of area 1983-84	Surfaced road length per lakh of population 1983-84	No. of recognised primary/basic schools per lakh of population 1986-87	No. of state Allopathic hospitals dispensaries per lakh of population 1987
1	22	23	24	25	26	27	28
1 Andhra Pradesh	950	24350	198	11.5	56.3	76	2
2 Bihar	347	51978	104	9.6	22.6	64	1
3 Gujarat	1410	48281	373	6.4	34.8	33	15
4 Haryana	1146	43743	306	44.5	141.6	33	1
5 Himachal Pradesh	574	69723	162	8.4	103.8	145	6
6 Karnataka	701	44003	207	28.4	138.5	57	4
7 Kerala	659	37087	130	40.8	59.6	24	15
8 Madhya Pradesh	431	43298	187	12.6	101.1	109	1
9 Maharashtra	1253	68819	347	11.5	53.4	53	15
10 Orissa	381	37735	165	8.2	46.4	134	2
11 Punjab	1309	32353	515	65.0	184.9	65	11
12 Rajasthan	415	51704	162	10.7	99.5	70	4
13 Tamil Nadu	1279	39309	249	29.7	76.5	54	2
14 Uttar Pradesh	450	41618	135	18.2	45.6	59	2
15 West Bengal	989	32871	135	17.3	26.8	82	2
India	754	44003	201	14.1	64.1	69	5

APPENDIX - IV(Contd.)

State	Beds available in state allopathic hospitals per lakh of population 1987	Electrified villages as percentage of total villages at the end of year 1987-88	Credit deposit ratio December 1989	Per capita plan outlay (Rs.) (1985-90)
1	29	30	31	32
1 Andhra Pradesh	61	94	88.1	859
2 Bihar	35	61	39.5	634
3 Gujarat	109	99	58.6	1545
4 Haryana	50	100	59.9	1883
5 Himachal Pradesh	89	100	34.9	2171
6 Karnataka	83	97	90.7	821
7 Kerala	261	100	63.1	734
8 Madhya Pradesh	36	72	67.1	1164
9 Maharashtra	133	96	77.0	1464
10 Orissa	42	60	84.0	910
11 Punjab	118	100	44.5	1728
12 Rajasthan	53	66	61.2	734
13 Tamil Nadu	85	100	98.4	1067
14 Uttar Pradesh	42	68	44.3	822
15 West Bengal	87	61	55.5	665
India	78	75	64.7	1010x

x=All States

APPENDIX-V

Installed Capacity, Power Generation and Power consumption in U.P.
and India

Year	Uttar Pradesh				India			
	Install- ed Gen- erating capacity (M.W.)	Total Gross Genera- tion (crore unit)	Total Consu- mption (crore unit)	Per capita Consu- mption (K.W.H.)	Install- ed Gen- erating capacity (M.W.)	Total Gross Genera- tion (crore unit)	Total Consu- mption (crore unit)	Per capita Consu- mption (K.W.H.)
1	2	3	4	5	6	7	8	9
1979-80	3340	1012	761	87	28448	10463	7808	130
1984-85	4148	1133	1074	105	42585	15686	11407	167
1985-86	4355	1233	1162	117	46769	17035	12300	178
1986-87	4566	1474	1347	131	49266	18780	13608	191
1987-88	4887	1658	1438	135	54155	20214	14621	201
1988-89	5417	1885	1575	143	59040	22139	16134	216

APPENDIX-VI

STATEWISE PRODUCTION AND PER CAPITA AVAILABILITY OF MILK AND EGGS 1988-89

STATES	MILK ('000 TONNES)			EGGS (MILLION NOS.)			PER CAPITA AVAILABILITY	
	1983-84	1988-89	% AGE INCREASE	1983-84	1988-89	% AGE INCREASE	MILK (KG)	EGGS (NO)
	2	3	4	5	6	7	8	9
1 Andhra Pradesh	2375	3200	34.7	2370	3200	35.0	51.90	52
2 Bihar	2235	2900	29.8	931	1370	47.2	35.30	17
3 Gujarat	3093	3000	-3.0	237	250	5.5	75.90	6
4 Haryana	2427	2880	18.7	210	345	64.3	183.40	22
5 Karnataka	1758	2410	37.1	928	1020	9.9	35.50	24
6 Kerala	1150	1455	26.5	1260	1535	21.8	50.20	53
7 Madhya Pradesh	2640	3360	27.3	604	860	42.4	54.80	14
8 Maharashtra	2228	2790	25.2	1350	1800	33.3	38.40	25
9 Orissa	344	415	20.6	313	370	18.2	13.70	12
10 Punjab	3758	4670	24.3	771	1400	81.6	243.20	73
11 Rajasthan	3544	4250	19.9	151	215	42.4	101.40	5
12 Tamil Nadu	2562	3200	24.9	996	2000	100.8	58.60	37
13 Uttar Pradesh	7004	9160	30.8	341	450	32.0	70.60	3
14 West Bengal	2107	2840	34.8	1381	2175	57.5	44.90	34
All India	38809	48746	25.6	12792	18238	42.6	60.90	23

Note :- Per Capita is based on the project population as on 1st October.

APPENDIX-VII

PERCENTAGE SHARE OF OUTPUT TO ALL INDUSTRIES IN U.P.

YEAR	VALUE OF OUTPUT				PERCENTAGE SHARE IN TOTAL		
	AGRO-BASED INDUSTRIES (20, 21, 22)	COTTON TEXTILE (23)	OTHER INDUSTRIES	ALL INDUSTRIES	AGRO-BASED INDUSTRIES	COTTON TEXTILE	OTHER
1	2	3	4	5	6	7	
1973-74	497.81	107.74	794.07	1399.62	35.57	7.70	56
1974-75	558.53	129.98	1075.12	1763.63	31.67	7.37	60
1975-76	624.97	138.75	1220.24	1983.96	31.50	6.99	61
1976-77	640.90	165.46	1466.84	2273.20	28.19	7.28	64
1977-78	836.36	216.59	1572.11	2625.06	31.86	8.25	59
1978-79	907.81	264.72	1805.40	2977.93	30.48	8.89	60
1979-80	876.63	255.85	2163.61	3296.09	26.60	7.76	65
1980-81	994.43	322.96	2431.94	3749.33	26.52	8.62	64
1981-82	1348.54	301.46	3115.88	4765.88	28.30	6.32	65
1982-83	1655.86	391.23	4746.99	6794.08	24.37	5.76	69
1983-84	1652.82	436.67	5546.87	7636.36	21.64	5.72	72
1984-85	1714.25	416.20	6312.39	8442.84	20.30	4.93	74
1985-86	1886.39	480.49	7457.86	9824.74	19.20	4.89	75
1986-87	2426.32	409.86	8975.47	11811.65	20.54	3.47	75

Agro-based: includes industry no. 20 including 206-207 including sugar & khandsari 206+207

Cotton textile-Industry no. 23

APPENDIX-VIII

PERCENTAGE SHARE OF VALUE ADDED TO ALL INDUSTRIES IN U.P.

YEAR	Value added (Crore Rs.)				Percentage share in total		
	Agro-based industries	Cotton Textile	Other industries	All industries	Agro-based industries	Cotton Textile	Other industries
1	2	3	4	5	6	7	8
73-74	93.42	33.84	177.95	305.21	30.61	11.09	58.30
74-75	56.67	36.74	280.32	370.73	14.48	9.91	75.61
75-76	60.70	31.58	292.95	385.23	15.76	8.20	76.04
76-77	88.51	25.05	332.97	446.53	19.82	5.61	74.57
77-78	117.63	44.33	363.83	525.79	22.37	8.43	69.20
78-79	98.12	64.60	430.11	592.83	16.55	10.90	72.55
79-80	115.28	69.89	477.50	662.67	17.39	10.55	72.06
80-81	147.02	82.40	479.80	703.22	20.91	11.72	67.37
81-82	206.89	53.67	517.34	777.90	26.60	6.90	66.50
82-83	209.75	36.85	934.97	1181.57	17.75	3.12	79.13
83-84	219.37	89.60	1191.64	1500.61	14.62	5.97	79.41
84-85	248.47	70.96	1363.26	1682.69	14.76	4.22	81.02
85-86	332.02	96.57	1832.64	2261.23	14.68	4.27	81.05
86-87	405.42	82.55	2226.81	2714.78	14.93	3.04	82.03

APPENDIX-IX

STATE-WISE PERCAPITA OWN TAX REVENUE AS
PERCENTAGE OF PER CAPITA INCOME (1987-88)

STATES	PER CAPITA OWN TAX REVENUE (RS.)	PER CAPITA STATE INCOME AT AS % CURRENT PRICE (RS.)	PER CAPITA OWN TAX REVENUE OF PER CAPITA INCOME
1	2	3	4
1. Andhra Pradesh	296	2734	10.8
2. Bihar	93	1971	4.7
3. Gujarat	385	3592	10.7
4. Haryana	432	4278	10.1
5. Karnataka	350	3213	10.9
6. Kerala	339	2598	13.0
7. Madhya Pradesh	193	2404	8.0
8. Maharashtra	438	4535	9.7
9. Orissa	133	2073	6.4
10. Punjab	453	5619	8.1
11. Rajasthan	190	2122	9.0
12. Tamil Nadu	321	3163	10.2
13. Uttar Pradesh	135	2371	5.7
14. West Bengal	234	3089	7.6

APPENDIX-X

**PER CAPITA DEPOSIT AND ADVANCES OF
SCHEDULED COMMERCIAL BANKS(DEC.1987)**

STATES	PER CAPITA DEPOSITS (RS)	PER CAPITA ADVANCES (RS)
1	2	3
1. Andhra Pradesh	1090	868
2. Bihar	725	270
3. Gujarat	1904	1045
4. Haryana	1505	944
5. Karnataka	1371	1243
6. Kerala	1682	1074
7. Madhya Pradesh	766	462
8. Maharashtra	3024	2239
9. Orissa	520	435
10. Punjab	3364	1459
11. Rajasthan	786	477
12. Tamil Nadu	1413	1309
13. Uttar Pradesh	975	414
14. West Bengal	1953	982
All States	1377	859

**Note : Per capita is based on
1987 estimated population**

APPENDIX-XI

ASSISTANCE DISBURSED BY ALL INDIA TERM LENDING
FINANCIAL INSTITUTIONS (CUMULATIVE UPTO MARCH, 1987)

(RS. IN CRORE)

STATES	I.D.B.I.	I.F.C.I.	I.C.I.C.I.	TOTAL	PER CAPITA DISBURSE- MENT (RS)
1	2	3	4	5	6
1. Andhra Pradesh	1249	246	257	1752	327
2. Bihar	352	60	132	544	78
3. Gujarat	1982	267	539	2788	818
4. Haryana	497	87	101	685	531
5. Karnataka	1242	184	274	1700	458
6. Kerala	518	73	60	651	255
7. Madhya Pradesh	759	120	180	1059	203
8. Maharashtra	2282	416	1006	3704	590
9. Orissa	486	79	85	650	246
10. Punjab	503	119	90	712	424
11. Rajasthan	707	149	158	1014	296
12. Tamil Nadu	1698	231	371	2300	475
13. Uttar Pradesh	1457	335	260	2052	185
14. West Bengal	785	133	180	1098	201
All States	15098	2572	3743	21413	317

Note : Per capita is based on 1981 census population.

APPENDIX-XII

PER CAPITA PLAN OUTLAY OF MAJOR STATES (Rs.)

STATES	PER CAPITA PLAN OUTLAY (DURING)			
	1951-79	1979-80	1980-85	1985-90
1	2	3	4	5
1. Andhra Pradesh	718 (12)	97 (10)	583 (11)	859 (09)
2. Bihar	498 (15)	63 (15)	408 (15)	634 (15)
3. Gujarat	1146 (02)	147 (05)	1101 (03)	1545 (04)
4. Haryana	1072 (04)*	226 (01)	1163 (02)	1883 (02)
5. Himachal Pradesh	912 (05)+	211 (02)	1514 (01)	2171 (01)
6. Karnataka	823 (06)	102 (8.5)	693 (08)	821 (11)
7. Kerala	780 (07)	80 (12)	629 (09)	734 (12.5)
8. Madhya Pradesh	732 (10)	109 (06)	716 (07)	1164 (06)
9. Maharashtra	1120 (03)	151 (04)	1004 (05)	1464 (05)
10. Orrisa	737 (09)	87 (11)	576 (12)	910 (08)
11. Punjab	1706 (01)	192 (03)	1089 (04)	1728 (03)
12. Rajasthan	762 (08)	107 (07)	596 (10)	734 (12.5)
13. Tamil Nadu	720 (11)	75 (14)	722 (06)	1067 (07)
14. Uttar Pradesh	695 (13)	78 (13)	568 (13)	822 (10)
15. West Bengal	631 (14)	102 (8.5)	432 (14)	665 (14)
All States	808	106	694	1010

* During 1966-79

+ During 1969-79

Note :- 1. Per Capita plan outlay for vith,viith plan are based on projected population of October 1983 and October 1987.
2. Figures in brackets denote ranks.

APPENDIX-XIII

Per capita Central Assistance of Major States (Rs.)

STATE	1951-79	1979-80	1980-85	1985-90
1	2	3	4	5
1. Andhra Pradesh	356 (6.5)	38.71 (03)	182 (11)	268 (09)
2. Bihar	300 (12)	33.64 (08)	198 (06)	285 (05)
3. Gujarat	320 (10)	30.03 (10)	183 (10)	271 (08)
4. Haryana	287 (14)*	34.58 (07)	216 (03)	253 (11)
5. Himachal Pradesh	769 (01)+	171.22 (01)	1043 (01)	1785 (01)
6. Karnataka	345 (08)	26.99 (13)	142 (14)	205 (14)
7. Kerala	406 (05)	33.31 (09)	185 (09)	397 (02)
8. Madhya Pradesh	356 (6.5)	34.85 (06)	201 (05)	312 (04)
9. Maharashtra	256 (15)	27.85 (11)	165 (12)	248 (12)
10. Orissa	464 (03)	59.05 (02)	280 (02)	385 (03)
11. Punjab	591 (02)	26.63 (14)	195 (07)	246 (13)
12. Rajasthan	451 (04)	35.01 (05)	202 (04)	279 (07)
13. Tamilnadu	319 (11)	24.99 (15)	153 (13)	267 (10)
14. Uttar Pradesh	331 (09)	38.29 (04)	192 (08)	284 (06)
15. West Bengal	297 (13)	27.79 (12)	135 (15)	196 (15)
All States Average (22 States)	375	38.79	230	352

* During 1966-79

+ During 1969-79

Note: 1. Per Capita Central Assistance for 6th, 7th plan are based on projected population of October, 1983 and October, 1987.
2. Figures in brackets denote ranks.

APPENDIX-XIV

Per Capita Development Expenditure

(Rs.)

STATE	1980-81	1984-85	1987-88	Per capita Dev. Expn. as %age all state average		
				1980-81	1984-85	1987-88
1	2	3	4	5	6	7
Andhra Pradesh	275	430	650	116.5	103.9	103.5
Bihar	147	239	386	62.3	57.7	61.5
Gujarat	303	515	940	128.4	124.4	149.7
Haryana	373	651	976	158.1	157.2	155.4
Karnataka	241	451	681	102.1	108.9	108.4
Kerala	259	403	567	109.7	97.3	90.3
Madhya Pradesh	236	379	562	100.0	91.5	89.5
Maharashtra	300	545	802	127.1	131.6	127.7
Mizoram	236	341	557	100.0	82.4	88.7
Punjab	354	664	1169	150.0	160.4	186.1
Rajasthan	222	345	705	94.1	83.3	112.3
Tamilnadu	362	449	606	153.4	108.5	96.5
Uttar Pradesh	177	329	406	75.0	79.5	64.6
West Bengal	194	329	484	82.2	79.5	77.1
States	236	414	628	100.0	100.0	100.0

Notes : Per capita is based on the 1981 Census population.

APPENDIX-XV

Gap between Per Capita State and National Income

YEAR	Per Capita Income at current prices (RS.)			Per Capita Income at constant prices (RS.)		
	U.P.	India	Gap	U.P.	India	Gap
	2	3	4	5	6	7

Old Series of 1970-71 as base						
1960-61	252	306	54	453	559	106
1965-66	373	426	53	450	559	109
1968-69	453	552	99	429	589	160
1973-74	669	871	202	436	621	185
1978-79	935	1253	318	514	717	203
1979-80	965	1338	373	432	665	233
New Series of 1980-81 as base						
1980-81	1284	1627	343	1284	1627	343
1981-82	1341	1851	510	1281	1686	405
1982-83	1532	1993	461	1351	1687	336
1983-84	1659	2288	629	1373	1786	413
1984-85	1768	2494	726	1355	1813	458
1985-86	1991	2734	743	1378	1863	485
1986-87	2167x	2974	807	1436x	1892	456
1987-88X	2371	3286	915	1452	1910	458
1988-89+	2698	3835	1137	1547	2082	535

X - Provisional

+ Quick estimate

Source - State Income Estimates of UP and National Account
Statistics Govt. of India.

APPENDIX-XVI

Birth rate, Death rate and infant mortality rate(Per thousand)

YEAR	Birth Rate		Death Rate		Infant Mortality Rate	
	U.P.	India	U.P.	India	U.P.	India
1	2	3	4	5	6	7
1971	44.6	36.9	20.0	14.9	N.A.	129
1974	42.1	34.5	19.7	14.5	172	126
1978	40.4	33.3	20.2	14.2	177	127
1979	39.6	33.7	16.2	13.0	162	120
1980	39.4	33.7	16.6	12.6	159	114
1981	39.6	33.9	15.3	12.5	150	110
1982	38.6	33.8	15.1	11.9	147	105
1983	38.4	33.7	15.7	11.9	155	105
1984	38.7	33.9	17.8	12.6	154	104
1985	37.6	32.9	15.8	11.8	142	97
1986	37.5	32.6	14.6	11.1	132	96
1987	37.9	32.2	14.5	10.9	127	95
1988	37.1	31.5	13.2	11.0	124	94

N.A.-Not Available

Source : Sample Registration Scheme

APPENDIX-XVII

Estimates of state and national income at current and constant prices (RS.in crore)

Year	Estimates at Current prices		Estimates at Constant prices	
	U.P.	India	U.P.	India
1	2	3	4	5
Old series of 1970-71 as base				
1960-61	1883	13263	3321	24250
1965-66	2986	20637	3601	27103
1968-69	3829	28607	3628	30513
1973-74	6220	50424	4059	35967
1978-79	9756	81321	5361	46533
1979-80	10320	88813	4617	44136
New series of 1980-81 as base				
1980-81	14079	110484	14079	110484
1981-82	15065	128457	14388	117027
1982-83	17578	141331	15502	119619
1983-84	19433	165642	16091	129344
1984-85	21136	184273	16196	133972
1985-86	24292	206419	16809	140647
1986-87	26990x	229010	17877x	145675
1987-88x	30148	257913	18462	149967
1988-89+	35026	306822	20076	166513
X - Provisional			+ - Quick estimate	

Source : National Accounts Statistics Government of India

Appendix -XVIII

Sectoral Distribution of Total State & National Income at Current Price (Percent)

YEAR	UTTAR PRADESH			INDIA			% age SHARE OF U.P.TO INDIA		
	PRI- MARY	SECON- DARY	TERT- IARY	PRI- MARY	SECON- DARY	TERT- IARY	PRI- MARY	SECON- DARY	TERT- IARY
1	2	3	4	5	6	7	8	9	10
Old Series of 1970-71 as base									
1960-61	60.2	11.1	28.7	52.2	19.1	28.7	15.9	8.0	13.9
1965-66	61.2	12.5	26.3	49.0	20.3	30.7	17.9	8.9	12.3
1968-69	59.3	11.8	28.9	50.7	19.2	30.1	15.5	8.1	12.3
1973-74	61.7	14.1	23.2	52.4	18.7	28.9	14.7	9.3	9.8
1978-79	50.2	18.0	31.8	41.1	23.2	35.7	14.6	9.3	10.7
1979-80	45.2	20.4	34.4	39.1	23.8	37.1	13.5	9.9	10.8
New Series of 1980-81 as base									
1980-81	52.4	15.9	31.7	41.2	23.0	35.8	16.3	8.9	11.3
1981-82	49.9	16.2	33.9	40.8	22.8	36.4	14.3	8.3	10.9
1982-83	48.1	17.8	34.1	39.4	23.1	37.5	15.1	9.5	11.3
1983-84	46.9	17.8	35.3	40.4	23.3	36.3	13.6	8.9	11.3
1984-85	44.8	18.7	36.5	38.8	23.9	37.3	13.1	8.9	11.1
1985-86	44.9	19.1	36.0	37.0	25.0	38.0	14.2	8.9	11.1
1986-87	42.6x	20.2x	37.2x	35.7	25.5	38.8	14.0	9.3	11.2
1987-88x	42.0	20.0	38.0	34.9	25.0	40.1	13.9	9.3	11.0
1988-89+	43.5	19.9	36.6	36.4	24.4	39.2	13.5	9.2	10.6

X - Provisional

+ Quick estimate

Source :State Income Estimates of U.P. & National Accounts Statistics
Government of India.

Appendix -XIX

Annual Compound Rates of Growth in Different Sectors

SECTOR	DURING 1969-70 TO 1973-74	DURING 1974-75 TO 1978-79	DURING 1981-82 TO 1984-85 (1980-81 AS BASE)	DURING 1985-86 TO 1988-89 (1980-81 AS BASE)	1961-62 TO 1970-71	1971-72 TO 1980-81	1981-82 TO 1988-89 (1980-81 AS BASE)	
	1	2	3	4	5	6	7	8
1. Agriculture and Animal Husbandry		0.8	5.7	2.8	4.3	1.5	2.1	3.5
2. Primary		0.9	5.5	1.8	4.3	1.6	2.0	3.1
3. Manufacturing		3.4	9.4	8.6	9.6	5.1	4.0	9.1
4. Secondary		6.7	7.3	6.3	7.9	6.1	4.1	7.1
5. Other Sectors		2.9	5.3	4.9	6.0	3.0	3.1	5.4
6. All Sectors		2.3	5.7	3.6	5.5	2.5	2.6	4.5
7. Per capita Income		0.4	3.3	1.4	3.4	0.7	0.8	2.4

APPENDIX -XX

Indices and Agricultural Production in Uttar Pradesh

YEAR	PRODUCTION (LAKH M.T.)			INDICES(1950-51=100)		
	FOOD- GRAINS	POTATO	SUGAR- CANE	FOOD- GRAINS	POTATO	SUGAR- CANE
1	2	3	4	5	6	7
1950-51	117.75	6.41	294.98	100.0	100.0	100.0
1955-56	120.58	6.87	298.71	102.4	107.2	101.3
1960-61	144.86	8.00	545.16	123.0	124.8	184.8
1965-66	132.91	13.42	566.60	112.9	209.4	192.1
1968-69	160.41	16.32	505.43	136.2	254.6	171.3
1973-74	155.63	17.21	607.73	132.2	268.5	206.0
1978-79	231.08	42.96	623.24	196.2	670.2	211.3
1979-80	164.39	31.63	512.28	139.6	493.4	173.7
1984-85	299.18	54.49	708.88	254.1	850.1	240.3
1985-86	314.26	39.40	730.37	266.9	614.7	247.6
1986-87	302.99	56.95	847.36	257.3	888.5	287.3
1987-88	286.96	63.31	930.54	243.7	987.7	315.5
1988-89	354.28	63.33	885.23	300.9	988.0	300.1

APPENDIX -XXI

Per Capita Income Estimates of Major States (At Current Prices)

(Rupees)

STATES	1960-61	1965-66	1968-69	1973-74	1978-79	1979-80	1980-81	1984-85	1987-88
1	2	3	4	5	6	7	8	9	10
1. Andhra Pradesh	275	387	495	857	1083	1179	1380	2086	2734
2. Bihar	215	332	376	573	772	799	943	1513	1971
3. Gujarat	362	498	605	1116	1564	1751	1950	3115	3592
4. Haryana	327	450	635	877	1216	1889	2370	3525	4278
5. Himachal Pradesh	359	389	576	913	1249	1258	1662	2328	3217
6. Karnataka	296	448	588	907	1142	1345	1612	2508	3213
7. Kerala	259	380	496	811	1121	1271	1444	2123	2598
8. Madhya Pradesh	260	305	430	733	892	880	1183	1710	2404
9. Maharashtra	409	534	700	1087	1803	2012	2427	3384	4535
10. Orissa	216	329	464	699	873	859	1173	1671	2073
11. Punjab	366	562	903	1513	2351	2611	2724	4110	5619
12. Rajasthan	284	373	414	869	1139	1030	1199	1818	2122
13. Tamilnadu	334	403	499	793	1069	1280	1498	2341	3163
14. Uttar Pradesh	252	373	453	669	935	965	1284	1768	2371
15. West Bengal	390	532	660	944	1329	1430	1612	2473	3089
India	306	426	552	871	1253	1338	1627	2494	3286

APPENDIX-XXII

ANNUAL GROWTH RATE OF THE ECONOMY OF MAJOR STATES

STATES	FIFTH FIVE YEAR PLAN 1974-79	SIXTH FIVE YEAR PLAN 1980-85	SEVENTH FIVE YEAR PLAN 1985-89
1	2	3	4
1. Andhra Pradesh	3.2	4.6	4.9
2. Bihar	4.8	5.9	4.3
3. Gujarat	6.1	3.1	-2.3 +
4. Haryana	8.0	5.7	8.1
5. Himachal Pradesh	4.0	4.1	5.9 +
6. Karnataka	4.5	3.5	4.8
7. Kerala	1.5	2.7	1.7 +
8. Madhya Pradesh	2.5	9.5	5.1 +
9. Maharashtra	6.9	2.7	5.5
10. Orissa	3.6	4.1	5.8 ‡
11. Punjab	6.8	5.4	5.8
12. Rajasthan	5.1	8.1	0.3 +
13. Tamil Nadu	3.8	3.4	5.0 +
14. Uttar Pradesh	5.7	8.7	5.5
15. West Bengal	3.9	4.5	6.2
India	5.3	5.3	5.6

‡ Based on old series of 1970-71 as base year

+ During 1985-88.

APPENDIX-XXIII

**PERCENTAGE OF INDUSTRIAL WORKERS TO
TOTAL MAIN WORKERS (AS PER 1981 CENSUS)**

STATES	PERCENTAGE OF WORKERS	RANK
1	2	3

1. Andhra Pradesh	10.3	9
2. Bihar	6.3	14
3. Gujarat	15.3	3
4. Haryana	12.6	7
5. Himachal Pradesh	N.A.	N.A.
6. Karnataka	11.9	8
7. Kerala	16.1	2
8. Madhya Pradesh	7.9	12
9. Maharashtra	13.6	6
10. Orissa	7.0	13
11. Punjab	13.9	5
12. Rajasthan	9.0	11
13. Tamil Nadu	15.2	4
14. Uttar Pradesh	9.1	10
15. West Bengal	16.5	1

All India average	11.3	...

N.A.=Not Available

APPENDIX-XXIV

STATE-WISE IRRIGATION COVERAGE AND IRRIGATION
INTENSITY 1986-87

STATES	IRRIGATION COVERAGE *	IRRIGATION INTENSITY +
1	2	3
1. Andhra Pradesh	35.3	122.8
2. Bihar	38.8	129.6
3. Gujarat	24.1 @	116.6 @
4. Haryana	64.8	116.6
5. Himachal Pradesh	16.4	180.0
6. Karnataka	17.2	123.7
7. Kerala	13.5	142.5
8. Madhya Pradesh	17.5	103.3
9. Maharashtra	10.4 ‡	130.9 ‡
10. Orissa	26.7	124.8
11. Punjab	88.5	177.3
12. Rajasthan	22.2	127.2
13. Tamil Nadu	42.5	120.7
14. Uttar Pradesh	57.2	136.1
15. West Bengal	35.8 ‡	100.0 ‡
India	30.7	129.2

* Percentage of net Irrigated area to net area sown

+ Percentage of gross Irrigated area to net irrigated area.

@ Relates to 1984-85 ‡ Relates to 1985-86.

CHAPTER-II

DEVELOPMENT PERSPECTIVE IN THE NINETIES

A perspective of about fifteen years is considered necessary while making a medium term plan for five years. Howsoever complex and difficult it might be, it is vital to look out beyond five years to make a worth while plan. It becomes much more difficult in the case of planning for a state on account of openness of its economy. There are serious inadequacies of data on account of there relation to a number of economic indices and parameters. The priorities and development strategies of a state get distorted due to variety of exogenous and environmental factors, which are hardly under its control. There are crippling uncertainties affecting crucial sectors of economic activity. Agriculture, which continues to be the backbone of the economy, is still subject to vagaries of weather leading to wide fluctuations in foodgrains production. The resource crunch continues to be precarious and there is little likelihood of its easing in near future. It is usually also not known as to how central investible resources would be directed in space and time nor there is prior and precise information of the activities. There are also some activities like development of basic and heavy industries, water resources development, power generation etc. which transcend state boundaries and can be planned at inter-state levels only.

2. There are undoubtedly some real problems. Nevertheless, the fact remains that in these very limitations, with all the uncertainties and constraints on resources, the need for perspective planning is maximum in order to relate the medium term plan with future needs of the society and to give it some direction and purpose for a rapid progress towards a self-generating and self-reliant economy in due course with increasing job opportunities and securing satisfaction of the needs and aspirations of the people in general and of the depressed and down-trodden sections in particular.

3. With due regard to the constraints operating on the economy, the State Plan in our federal set-up must as much relate to its own development as to the social transformation of the country as a whole. Accordingly, the state has to shape its plan by harmonizing its programmes, priorities and policies with the over all socio-economic objectives laid down by the centre. It, therefore, becomes necessary to briefly discuss the salient features of the national approach to the Eighth Five Year Plan before an effort is made to design development perspective for the state's economy in the nineties.

4. The 'Approach' to the national plan contains several innovative features and at the same time carries forward certain major policy reforms initiated during the Seventh Plan. A major

shift in the prioritisation of basic objectives consists of making growth in employment the central point in the whole scheme of planning and the main strategic tool for the eradication of poverty. While de-emphasizing the size of the public sector, it lays stress on the programmes of liberalisation in industrial and trade policies, promotion of traditional crafts and labour-intensive techniques for production of mass consumption goods, development of infrastructure and human resources, poverty alleviation, growth of the rural sector and decentralisation of the planning process. In quantitative terms, targets proposed for the plan are :

- (a) The annual employment growth of three percent over the current decade.
- (b) The growth of GDP @ 5.5 percent per annum.
- (c) A domestic saving rate of 22% of GDP including net foreign resources inflow of 1.5% of GDP.
- (d) 50 percent of investible resources to be earmarked for agriculture and rural development.
- (e) Attainment of 50 percent adult literacy rate in the course of next five years and elimination of illiteracy by the year 2000.
- (f) Export growth of 12 per cent per annum in volume terms.

5. The other input for the formulation of a long term strategy of development is provided by an assessment of the performance of the economy in the past. This would considerably help in making suitable corrections and modifications in the previous policies and programmes and in drawing out an internally consistent, economically viable and operationally feasible perspective of development.

PAST PERFORMANCE:

6. In view of the thrust on employment generation in Eighth Plan, it becomes important to briefly review the employment situation in the State first and performance with respect to other macro-variables thereafter. An exclusive and comprehensive account of employment and unemployment aspects, covering all components of work force rural and urban, male and female, educated and uneducated in various sectors of the economy, has been given separately also in this document.

7. The analysis of the available data regarding the rates of unemployment in the labour force (15-59 years) on daily status basis of different rounds of NSS, depicts a disquieting situation. In 1972-73(27th round), the rate of unemployment was 3.75%, in 1977-78(32 round) it rose to 4.3% and in 1983(38th round) it went up still further to 4.71%. The backlog of unemployment at the beginning of the Fifth Plan was 19 lakhs and 13.44 lakhs and 20.77 lakhs at the time of launching Sixth Plan and Seventh Plan respectively. The same backlog in the Eighth

Plan was 15 lakhs, together with new entrants in the labour force during these plan periods, the quantum of total job requirement consistently went on swelling from 54.00 lakhs in the Fifth Plan to 61.44 lakhs in the Sixth Plan and to 72.01 lakhs in the Seventh Plan. The total job requirements for the current plan (1990-95) works out to 63 lakhs. These figures provide a broad indication regarding the trend, tone and temper of the unemployment problem in the State.

8. Apart from open unemployment of this magnitude, there is considerably high incidence of severe under-employment also which is described as disguised unemployment. This under-employment is mostly concentrated in agriculture sector where the work-force is far in excess of its present requirements. The surplus workforce in agriculture is estimated to be about 76 lakhs. Thus, the size of unemployment is much more than what it appears to be. The problem is of providing full and gainful employment is about 139 lakhs people (63 + 76). Here, it needs to be emphasized that the problem of severe under-employment in agriculture is as serious as of open unemployment because the surplus manpower, though evidently working, is contributing little to production.

9. Data pertaining to growth rates of employment over the years would have been useful to assess efforts made to create employment opportunities vis-a-vis growing number of job seekers. However, these statistics are available for the country as a whole. The available data show marked deceleration in growth rates of employment. It was estimated to be 2.82% for the period 1972-73 to 1977-78 which went down to 2.22% during the period 1977-78 to 1983 and dropped more sharply to 1.55% during 1983-87. The growth trend of employment operating in the national economy could reasonably be taken for the State also in view of the fact that there are no marked differences between the state of the country in growth pattern in respect of other macro-variables like income, consumption, population, etc.

10. This is suggestive of two important things. First, the efforts made hitherto have not succeeded in creating employment opportunities to the desired extent. Secondly, the task ahead to provide employment to all is going to be extremely tough and challenging. This will call for new approach and steps not initiated before to make up for the deficiencies of the past and to make a dent in this sensitive problem of unemployment in the years to come.

11. Growth in employment has a distinct and close correlation with the growth in output. No perceptible increase in employment opportunities is possible without considerable step-up in the latter together with, desirable change in the structure of the economy and appreciable expansion of the economic

activities. It, would be relevant therefore, to review the dynamics of the economy in the state right from the inception of planning era.

12. The overall performance of the State's economy, in terms of annual growth rates, under different plan periods, as set out in Table-I, presents an interesting picture and provides an insight into the dynamics of the economy over the years.

TABLE-I
RATES OF GROWTH IN UTTAR PRADESH & INDIA
(AT CONSTANT PRICES OF 1970-71)

(Percent per annum)

	UTTAR PRADESH		INDIA	
	Total income	Per capita income	Total income	Per capita income
1. First Plan (1951-56)	2.0	0.5	3.6	1.7
2. Second Plan (1956-61)	1.9	0.5	4.0	1.9
3. Third Plan (1961-66)	1.6	(-)0.2	2.2	0.0
4. Three Annual Plans (1966-69)	0.3	(-)1.5	4.0	1.8
5. Fourth Plan (1969-74)	2.3	0.4	3.3	1.1
6. Fifth Plan (1974-79)	5.7	3.3	5.3	2.9
7. Sixth Plan* (1980-85)	5.5	2.6	4.3	1.6
8. Seventh Plan** (1985-90)	4.9	2.8	5.3	3.1
9. 1970-71 to 1989-90	3.2	1.3	4.2	1.9

* Due to severe droughts in the base year (1979-80) of the Sixth Plan, growth rate of the plan period has been worked out on alternative basis.

** On the basis of anticipated achievements. (At 1980-81 prices)

13. The overall growth rates of the State's economy all through remained below the targeted rates. The annual growth rates continued to be around 2% from the First to the Fourth Plan against the targeted growth rates of 5.6 per cent per annum. Although the realised growth rates during the Fifth (5.7%) & Sixth (5.5%) Plans also stood below the respective targets (6.5% & 6%), nevertheless the achievements were impressive and respectable.

14. As regards the Seventh Plan, the tentative estimates of State income place the average annual growth rate at 4.9% at 1980-81 prices against the target of 6%. The hiatus between the promise and 'performance' is mainly due to sharp fall in the agricultural production. During the first year (1985-86) of the Seventh Plan, a record foodgrains production of 314 lakh tonnes was registered against the target of 318 lakh tonnes. But, it slipped down to 299 lakh tonnes in the succeeding year 1986-87 while the target was 334 lakh tonnes. Further, in the next year (1987-88), a nose-diving like situation is observed, where this production alarmingly came down to 281 lakh tonnes against the target of 363 lakh tonnes, indicating a fall of nearly 25 per cent. In the year 1988-89, foodgrains production (357.56 lakh tonnes) showed a marked increase, but the achievement of this year was also far below the targeted level of previous year. However, this was followed by yet another fall and the production in the final year 1989-90 is estimated to be about 337 lakh tonnes against the target of 363 lakh tonnes sliding to the same level which the economy had managed three years back. Looking at the targeted level of foodgrains production of 424.50 lakh tonnes by the end of the Seventh Plan (1989-90) against 299.18 lakh tonnes of the base year (1984-85), there is a short-fall of a little over 30%. The movement of our agriculture-based economy, facing such an odd situation on foodgrains front due to continuous droughts and adverse monsoons, received an ominous set-back after acquiring satisfactory pace successively in the previous two plans. As a sequel to that, the economy is stepping into the Eight Plan with about 1% annual growth rate behind the schedule.

15. As a consequence of slow growth rate in the total income, the per capita income could grow with an annual growth rate of 0.5% in the First Plan which is the highest during 1951-74 period. In the Second Plan, it increased with a much slower rate of 0.3% and in the Fourth Plan 0.4% but not before going negative in Third Plan (-0.2%) and Three Annual Plans (-1.5%). In the Fifth Plan, it registered an all time high growth rate of 3.3% per annum. In the Sixth & Seventh Plans, it is estimated to have moved up with a growth rate of 2.6% and 2.8% respectively. High upsurge in population has also been partly responsible for slower pace in the per capita income during 1971-81.

16. A comparison of growth rate of State's total and per capita incomes with that of the country reveals that in case of the former, it continued to be much below the latter till the Fourth Plan. For the first time, it took an edge over the all-India average in the Fifth Plan. In the Sixth Plan also, it stood well above the all-India average. However, the State could not maintain its hard-earned lead for long. In the Seventh Plan, it slipped back again in the race. Instead of short term growth estimates, which are often subject to periodical fluctuation, a long term view of growth is considered to provide better

understanding of the health of the economy. Annual growth rates for the period 1970-89 work out to be 3.2% & 1.4% in the total and per capita incomes of the State respectively, whereas corresponding achievements for all-India are at 4.2% & 1.9%. These differences would explain the increasing disparity between the state and the country.

17. It would be noticed that during a span of 38 years(1951-89), the growth rate of the State's economy lagged behind the all-India average for as many as 28 years. In the context of State's often repeated desire and demand of achieving parity in it's per capita income with that of the country, the pace at which it has moved in the past has serious implications in terms of the magnitude of efforts, both financial as well as physical.

18. Structurally, the State economy is still agrarian, although contributions made by primary, secondary & tertiary sectors to the state domestic product (SDP) have undergone significant changes(Table-II).

Table - II
SECTORAL CONTRIBUTION IN TOTAL STATE INCOME

(Rs. in crores at 1980-81 prices)			
S E C T O R	1980-81	1984-85	1989-90
1. Agriculture & Allied	7341 (52.0)	7878 (49.0)	9304 (45.0)
2. Mining & Manufacturing	1546 (11.0)	2156 (13.0)	3229 (16.0)
3. Rest of Sectors	5192 (37.0)	6162 (38.0)	8102 (39.0)
T O T A L	14079 (100.0)	16196 (100.0)	20635 (100.0)

Figures in bracket denote percentage.

19. While the dominance of the primary sector, consisting of agriculture, animal husbandry, fisheries and forestry, in the economy of the state still continues, substantial decline in its share in the SDP, going down from about 52% in 1980-81 to 45% in 1989-90, is an indication of economy's diversification. The other sectors i.e. secondary (mining & manufacturing) as well as tertiary (services) have not only expanded but are becoming more diversified. Their respective contributions increased from 11% to 16% and 37% to 39% respectively during the same period.

20. Though, the agricultural output is still subject to monsoon to a very great extent and there are fluctuations in its output on this account, the fact remains that agriculture has acquired

considerable strength and resilience over the years as a result of improved irrigation and more scientific technologies. On the industrial front, there is a welcome shift from traditional areas of sugar and textiles to modern industries like petrochemicals and electronics. Similarly, in case of services sector, one finds substantial improvements both vertically as well as horizontally. There has been a marked step-up in the trading activity as well as in transportation, communication and banking. The significance and role of services sector is universally recognized in the modern theory of economic development. In fact, growth in this sector is considered essential for economic growth. Thus, the kind of structural changes that are taking place, provide sufficient ground to infer that State's economy is also moving in the desired direction.

PER CAPITA INCOME

21. It has been stated earlier that as a consequence of slow growth of the economy, the per capita income could grow at an annual rate of only 1.3% against corresponding growth rate of 1.9% for the country during the period 1970-89. Consequently, the gap between the per capita income of the State and all-India level continued to widen (Table-III). This is more so because of the fact that State's per capita income was already below the all-India average from the very beginning of the planning era.

Table-III
PER CAPITA INCOME

Year	Uttar Pradesh	India	Gap
AT 1970-71 PRICES			
1950-51	436	466	30
1960-61	453	559	106
AT 1980-81 PRICES			
1970-71	1200	1471	271
1980-81	1284	1627	343
1984-85	1355	1813	458
1989-90	1557	2112	555

22. More than three fold increase in the gap between per capita income of the State & all-India is observed during the decade 1951-61. Although the alarming intensity of increase witnessed in the decade ending 1960-61 appears to have successively diminished over the years, yet the existing gap of Rs. 555 virtually, is more than double the gap in 1970-71 is quite substantial and speaks of the magnitude of efforts required to be put in to level the State's per capita income with all-India average in the years to come. This situation assumes great

importance in the context of formulating growth profile for State's Eighth Plan. The State would have to strive hard to achieve a growth rate in State Domestic Product which may, atleast, contain the ominous trend of widening gap in per capita income. Since per capita income is the quotient of State Domestic Product and population, lower bound growth rate of SDP gets determined by the growth rate of population plus the growth rate of income.

23. The available data on population suggests that the State's population may grow at an average rate of more than 2 per cent per annum whereas national economy is targeted to grow at the rate of 5.5% annually in the 1990-95 period. Therefore, a growth rate of the order of 8 per cent in the SDP would be essential to maintain the status quo. Any effort to reduce the gap would implicitly call for a growth higher than this minimum level depending upon the extent to which reduction in this gap is planned for. An account of possible choice among different alternatives of growth rates vis-a-vis their respective desirability as also feasibility is presented in the succeeding paragraphs.

THE PERSPECTIVE

24. The State's economy, as stated earlier, would be running about 1% behind the schedule of the Seventh Plan, for the estimated growth rate for the Plan period(1985-90) is placed at 4.9% against the targeted growth of 6% per annum. The available indications from the Planning Commission, Government of India place the anticipated average annual growth rate at 5.3% during the Seventh Plan period. At this reckoning, State's per capita income (Rs. 1557 at 1980-81 prices) at the end of the Seventh Plan, would be lagging behind all-India average (Rs. 2112) by Rs. 555 at 1980-81 prices.

25. In the context of nationally accepted policy of reducing regional inequalities, it is one of the imperatives to wipe out the gap between the Per Capita income of the State and the country. Hence, the perspective of development of the State has to take into account this vital aspect and plan for a rapid economic growth. It does not, however, mean that other important goals of removal of unemployment and poverty should take a back seat. In fact, these objectives are not mutually exclusive and if planned synthetically, economic growth, expansion in employment opportunities and rise in living standards will go together. What is actually required is a shift in our whole approach to planning, from the analytical to the synthetic in which attempts are made to blend varied goals and targets into a single whole. We would be dealing with the strategy part a bit later. But right now, we will concentrate on the perspective in question.

26- The perspective of development of the State for the period 1990-95 has to be prepared in the national framework. The targeted average annual growth for the National Plan for this period is 5.5%. At this growth rate, national income would be Rs. 2,26,903 crore in 1994-95 from Rs.1,73,606 crore in 1989-90 at 1980-81 prices. The per capita income of the country, with this level of income, works out to be Rs. 2526 in the terminal year of Eighth Plan (1994-95). Keeping this in view, the options of economics growth perspective for the State can be as follows :-

- (a) to wipe out the gap between the per capita income of the State and country completely by 2000 A.D. or
- (b) to contain the gap in per capita income at the same level in 1994-95 also as it obtained at the end of the Seventh Plan in 1989-90, or
- (c) to tone down the intensity of rise in the per capita income gap.

27. The above options are arranged sequentially in order of their desirability to the State. However, the choice of the option would depend on the feasibility of growth rate of State Domestic Product implied in it. Exercises were therefore, carried out to find out the implications in terms of growth rate of the economy for the Eighth Plan period in respect of each of these perspectives of development.

28. As regards the first perspective, it was found that the State economy will have to grow at a staggering rate of 9.2% annually in the Eighth as well as Ninth Plans i.e. during the period 1990-2000 if the gap between per capita incomes of the State and the country is to be completely wiped out. This is also based upon the assumption that so far as the country, as a whole, is concerned, the growth rate of 5.5% per annum proposed for the Eighth Plan (1990-95) will continue in the Ninth Plan (1995-2000) also, yielding a per capita income of Rs. 3051 (at 1980-81 prices) for the country at the end of 2000 A.D.

29. Similarly, as regards the second perspective, a growth rate not less than 7.2% per annum will be necessary for the State to contain the gap in per capita income in 1994-95 at the same level which had emerged (Rs. 555) at the end of Seventh plan in 1989-90.

30. In either case, the State will have to achieve a growth rate of 7.2 to 9.2 percent during the Eighth plan. Keeping in view the past performance, the potentials of growth, relatively low level of development and constraint of resources, these growth rates are beyond the capacity of the state to achieve. It is not possible therefore, to raise the per capita income of the State to reach the level of all-India per capita income by the turn of

this century in 2000 A.D. nor the goal of maintaining status quo in the gap in per capita income can be realized at the end of Eighth Plan .In the circumstances, all that the State can be reasonably expected to plan for its Eighth Plan is to go in for the third option, i.e. for the curtailment of intensity of rising gap between the per capita incomes of the State and the country.

31. The level of state's per capita income (Rs. 1557) at the end of Seventh Five Year Plan shows a gap of Rs. 555 against a gap of Rs. 458 at the end of the Sixth Plan , showing an increase of Rs. 97. As mentioned earlier, on the basis of an average annual growth rate of 7.2% during the Eighth Five Year Plan, the gap in per capita income would not increase further from what it was (Rs. 555) at the end of the Seventh Plan. However, it is not possible for the State to achieve this growth rate. It follows, therefore, that lesser the growth in the state, the sharper will be the increase in the gap. In other words, any growth rate below 7.2% per annum would only widen the gap between per capita income of the State and the country. Hence, a growth rate which results only in milder increase in the gap as compared to that of 1985-90 period (Rs. 97) should be preferred. On this reckoning, an annual growth rate of 7% during the Eighth Plan, may enable the state to reach a level of per capita income of Rs. 1957 by the end of the plan in 1994-95. Although, the existing gap of Rs. 555 goes further up to Rs. 569 with this level of per capita income, the increase in the gap comes down to Rs. 14. The corresponding figures of the alternative growth rates of 6.5% and 6% work out to Rs.63 and Rs. 104 respectively.

32. Keeping these implications in view, a perspective growth of 7% per annum would appear to be most appropriate for the Eighth Plan. In this situation and in the context of State's avowed objective of mitigating the gap in per capita income with passage of time, a substantial step-up of the State's economy, has become critically essential., It has to prepare fertile grounds now for reaping the desired harvest with still more accelerated pace in the coming decade lest the growing gap between the per capita income of the State and the country should reach such extremities that the problem in question goes beyond manageable limits.

33. It is true that the economy has accumulated experience of planned development of nearly four decades and has acquired sufficient strength with enlarged production base and productivity magnitudes. The economy has under structural changes and has shown distinct sign of diversification. An unprecedentedly massive investment in setting up variety of manufacturing units, virtually proving a watershed in the process of industrialization during the Seventh Plan period, generating a huge industrial vibration through out the State, is expected to yield full benefits in the Eighth Plan. Besides, a number of power and irrigation projects would also fructify in the next

quinquennium. These welcome developments may lead one to look forward for a higher growth in Eighth plan as compared to the one achieved in Seventh plan. Desirability considerations, thus, strongly demand the State economy to go in for a growth rate of the order of 7% per annum during the Eighth plan, which emerges as the barest minimum, so that the State can legitimately take its place in the group of the States having per capita income equal to or more than all-India average.

34. But the inclusion of 'desirables' in the plan is possible only when the desirability aspect comes at terms with the feasibility considerations. The desirability grounds may appear, howsoever, strong and compulsive, it is the latter that ultimately prevail. The desirability norms have therefore, to be suppressed and pruned on the grounds of feasibility and the urgencies of the present have to be shifted for future. In the present context, a growth rate of 7% for the Eighth Plan, although eloquently sounds most critical, does not pass through the feasibility test. Not only that the economy lacks required sustainability strengths but also the financial constraints come in the way and compel the economy to lower down the desirability mark. Detailed exercises carried out in this context have revealed that for achieving a growth rate of 7%, the State economy will have to go in for ambitious physical targets. For example, in case of agriculture sector the concomitant required magnitude of foodgrains production alone works out to be 500 lakh tonnes at the end of Eighth plan against the achievement of 337 lakh tonnes in 1989-90. This means an additional foodgrains output of 163 lakh tonnes during the next quinquennium or, an average additionality of 33 lakh tonnes annually. This is too high a target to achieve against an average additionality of 10-15 lakh tonnes only in the past.

35. The development perspective for the nineties may accordingly be designed to open up with an average annual growth rate of 6% in the Eighth Plan (1990-95) and of not less than 7% in the next quinquennium (1995-2000). With these rates of growth the gap in per capita income would go up to Rs. 639 in the terminal year (1994-95) of the plan from Rs. 555 in the base year (1989-90) but the economy would be able to restrict the gap from rising further in the next Plan (1995-2000) and the gap in per capita income in 2000 A.D. would remain the same (Rs. 659) as in 1994-95.

36. In order to comprehend the growth and investment implications of projected scenarios for the Eighth and Ninth Plans on a comparable scale with that of the Seventh Plan, the relevant magnitudes have been presented at 1980-81 prices hereafter. The growth scenario for the State's economy is presented in Table -IV.

Table-IV

GROWTH SCENARIO OF THE STATE'S ECONOMY DURING
EIGHTH AND NINTH FIVE YEAR PLANS AT 1980-81 PRICES

Particular	At the end of		
	Seventh Plan (1985-90)	Eighth Plan (1990-95)	Ninth Plan (1995-2000)
I N D I A			
(a) Growth rate (% per annum)	5.3	5.5	5.5*
(b) National Income (Rs. in crore)	173606	226903	296562
(c) Per capita income (Rs.)	2112	2526	3051
(d) Population (million)	822	898	972
UTTAR PRADESH			
(a) Growth rate (% per annum)	5.9	6.0	7.1
(b) State income (Rs. in crore)	20635	27614	38918
(c) Per capita income (Rs.)	1557	1807	2392
(d) Population (million)	132.5	157.9	162.7
(e) Gap India-U.P.	555	659	659

*Assumed

STRUCTURE OF THE ECONOMY

37. An analysis of the sectoral (1. agriculture and allied, 2. mining and manufacturing, 3. rest of the sectors) composition in the State income for the period 1980-81 to 1989-90 revealed a declining trend in the share of agriculture sector while the shares of manufacturing, sector and 'rest of the sectors' have been increasing. The average shares of these broad sectors in the State Domestic Product during this period were 48%, 14% & 38% respectively. These trends & shares have been made use of in projecting contributions of each of these sectors for the terminal years (1994-95 and 1995-2000) of Eighth & Ninth plans and for estimating sectoral growth within the above targeted growth rates for these plans. The past trend of diversification

has been assumed to continue in the perspective period also. Based on these assumptions, the structure of the economy at 1980-81 prices is likely to be as follows :

TABLE - V

SECTORAL INCOME AND THEIR CONTRIBUTION TO STATE INCOME AT THE END OF EIGHTH AND NINTH PLANS

(Rs. in crores at 1980-81 prices)

Sector	At the end of		
	Seventh Plan (1985-90)	Eighth Plan (1990-95)	Ninth Plan (1995-2000)
Agriculture & Allied*	9304 (45.09)	11320 (40.99)	14174 (36.42)
Mining & Manufacturing	3229 (15.65)	5649 (20.45)	9130 (23.46)
Rest of the sectors	8102 (39.26)	10645 (38.56)	15614 (40.12)
OVERALL ECONOMY :	20635 (100.00)	27614 (100.00)	38918 (100.00)

N.B.: Figures in bracket denote percentage contribution to State Income.

* Including agriculture animal husbandry, forestry, logging and fisheries.

38. The projected sectoral composition indicates a substantial shift in the terminal year of the Eighth & Ninth Plans from the base year in the case of agriculture and manufacturing sectors. A gradual step-up in the contribution of rest of the sectors would also be in the offing against an almost stationary shares so far.

39. The growth rates based on the structure, as outlined above, present the segregated picture of the overall growth rates as follows:

TABLE - VI

SECTORAL GROWTH RATES AT 1980-81 PRICES

(Percent per annum)

SECTOR	Seventh Plan (1985-90)	Eighth Plan (1990-95)	Ninth Plan (1995-2000)
Agriculture and Allied	3.4	4.0	4.6
Mining and Manufacturing	8.4	11.8	11.4
Rest of the sectors	5.6	5.6	7.5
OVERALL ECONOMY :	4.9	6.0	7.1

N.B. : Detailed account of Table-V & VI into 8 broad sectors is provided in Appendix-I & II respectively.

40. Against an overall growth of 4.9% per annum and growth of 3.4%, 8.4% and 5.6% in agriculture and mining & manufacturing and rest of the sectors respectively the Seventh Plan the targeted growth rate in Eighth plan for the overall economy is 6%, within which agricultural activities are targeted to grow at the rate of 4.0% per annum, manufacturing sector at 10.5% and rest of the sectors at 6.2% per annum. Physical targets for selected items relating to different sectors/sub-sectors of the economy for the Eighth Plan to sustain these growth rates are given in Appendix-III. Under the manufacturing sector, the unregistered sector will be given much greater priority than before in order to gear up rural economy and to create adequate job opportunities in the areas for the rural poor. The perspective of development for the Ninth Plan envisages an over-all growth of 7.1% , a growth of 4.6% for agriculture, and 11.4% and 7.3% for manufacturing and rest of the sectors respectively.

41. The rationale behind the targeted growth of a sector lies in the performance of the sector in the recent past, the potentialities it has acquired and the priority proposed to be given to it in the light of the objectives and goals of Eighth plan. The State had fixed a target of foodgrains production of about 425 lakh tonnes for the terminal year (1989-90) of the Seventh Plan which was later slashed down to 363 lakh tonnes, on account of much lower production in 1986-87 & 1987-88 due to drought and unfavourable weather. After achieving a record production of 356 lakh tonnes in 1988-89, the Seventh plan ultimately closed with a lower production of 337 lakh tonnes in 1989-90. The over-all achievement of Seventh Plan in agriculture cannot be regarded satisfactory whether we look at it against the targets of the plan or the past achievement of Sixth plan, The growth rate of agriculture sector during the plan was 3.4%. This growth rate, is lower than that of the Fifth (5.7%) and very close to one achieved in Sixth Plan (3.2%). At the same time this is one area which still offers the largest scope for growth by maximizing productivity. The over-all growth and economy of the state also depends on the growth achieved in this sector. It is for this reason that the target of growth for agriculture sector during the Eighth Plan has been raised to 4%, in the light of improvements which have taken place in infrastructure facilities and extension net work.

42. The growth proposed for industrial sector in Eighth Plan is also well within the reach. The unsatisfactory performance in agriculture had its impact on the performance of the manufacturing sector during the Seventh Plan. The growth in the sector was 8.4% per annum which can not be considered satisfactory against a higher growth of 11.8% already achieved in the Sixth Plan. The industrial sector has, however, also acquired new capabilities during the Seventh Plan and the infrastructure for industrial growth has also improved during the

period. A number of larger medium industrial projects have been established. Based upon this better environment & climate the industrial sector is targeted to grow at a rate of 12% per annum during the Eighth Plan.

43. The rest of sectors, which mostly consist of services, will concomitantly grow with expansion in agricultural and industrial activities.

44. Keeping in view the rationale behind the overall and sectoral growth rate for the Eighth Plan, and overall growth rates for the Eighth Plan, an overall growth rate of around 7% for the Ninth Plan, appears to be reasonable and feasible. It would appear to be logical not only on the basis of substantial enhancement in State's capabilities, likely to take place during the Eighth Plan but also on the ground of perspective exigencies of the economy. One should always remember that the State is far behind the country and several other states in per capita income and it has to strive hard to ensure that it does not continue to trail behind and that it moves steadily towards making up the gap in reasonable time span.

REQUIRED INVESTMENT

45. The incremental capital-output ratio (ICOR) is indicator of the efficiency of investment. It is also used to estimate the investment required for achieving a particular growth in the economy. The overall ICOR for the State's economy, in the Sixth Plan (1980-85) was found to be 4.16 against a higher ratio of 4.75 for a longer period from Fourth to Sixth Plan period (1969-85). The Planning Commission, Govt. of India has assumed the ICOR of 4.35 for Eighth Plan against a slightly higher ICOR of 4.6 in the Seventh Plan. However going by past long term trend and the long gestation schemes absorbing a significant share of the investment a higher ICOR of 4.75 is being assumed for the state for estimating the investment requirement for its Eighth Plan. The requirement of investment during the Eighth Plan has been worked out as under:

(Rs. in crores at 1989-90 prices)

1.	Base Year Income (1989-90)	37596
2.	Annual targeted growth rate during the Eighth Plan (1990-95) Estimated	6.0 %
3.	Additional income at the end of (1994-95)	12,702
4.	Investment requirement during the Eighth plan in the assumed ICOR of 4.75	60,335

46. The investment required to achieve the targeted growth rate of 6% per annum during the Eighth plan is thus about 60 thousand crores at 1989-90 prices. The use of an ICOR, based on a time series data, is considered safer, as under long-term considerations, extremities and abnormalities usually get smoothened. In the present context investment requirement for Eighth Plan of Rs.60,000 crores is therefore, a pragmatic and reasonable estimate.

SIZE OF STATE PLAN OUTLAY

47. This investment represents the aggregate investment requirements of the economy, as a whole, which is inclusive of the investment share of public sector. When the component of current expenditures is also added to the latter it become the size of State's public sector outlay. In order to determine the likely size of the State's public sector outlay, certain plausible assumptions have to be made. The studies made earlier revealed that the shares of public and private sectors in the total investment during the Fourth and the Fifth plan periods were 40% and 60% respectively. A recent study on 'Capital-formation' by the U.P. Development Systems Corporation (UPDESCO) for the Sixth Plan indicates the shares of these sector as 52% & 48% respectively. These observations indicate a rising share of the public sector outlay in the aggregate investment. This is largely because of enhanced investment in the State by the Central Govt. This feature is likely to continue in future also.

48. Within the public sector, the shares of the State and Central Govt. worked out to 71.2% & 28.8% respectively, during the Sixth Plan. In view of the renewed emphasis on industrialization in the State, the observed shares of the State and Central Govt. could be assumed to continue during the Eighth Plan also, i.e. the share of the State Government in the public sector would remain about 71.2% as before.

49. The component of capital and revenue expenditures in the total expenditure in the year 1986-87* were found to be at 70% & 30% respectively against their respective proportions of 80% & 20% earlier. The economies of planning requires the shares of current outlay to be kept as low as possible and the shares of investment outlay to be increased. In our situation, the component of current expenditure is also likely to increase in view of the recent hike in the salaries of the State employees. However, it is assumed that proper and effective control will be exercised to ensure that as per Bulletin of Economic and Functional Classification of Budget 1986-87 share of current outlay in Eighth plan does not exceed, under any circumstances, 20% of public sector outlay.

50. On the basis of these assumptions, the estimates of the State Plan outlay with a targeted growth rate of 6% and an ICOR of 4.75 have been prepared at 1989-90 prices.

TABLE - VIII :
SIZE OF THE STATE PLAN OUTLAY DURING THE EIGHTH FIVE YEAR PLAN

(Rs. in crores at 1989-90 prices)

Particulars	Size
1. Total Investment	60335
2. Share of the State sector in total investment	22324
3. Current Expenditure	6697
4. State Plan Outlay	29021

51. On this basis, the sum of State public sector for the Eighth Plan works out to Rs. 29000 crores. However, from all available indications it is not at all possible to mobilize resources of this order. It has been therefore, decided to formulate the Eighth plan on the basis of a reduced outlay of Rs.25000 cr. only. Efforts will be made to cover the gap of Rs. 4000 crores from other possible alternatives. One of these alternatives is that the Central Govt. may be persuaded to take up some of the State power projects, requiring heavy investments in the central sector itself. Together with this, the possibilities of transferring some such projects to the private sector can also be explored.

EMPLOYMENT

52. As already stated, the focus of Eighth Plan is on employment generation, and as a fall out of the same on removal of poverty. Even though the problems of 'unemployment & poverty' have been dealt with in some detail in a subsequent chapter, it might be useful to briefly describe here also the implications of growth targeted for the state for this period (1990-2000) in so far as the incidence of unemployment and poverty in the state is concerned.

53. The growth in employment is likely to be 2.4% in the Eighth plan (1990-95) and 3.1% in the Ninth Plan (1995-2000) on the basis of projected over-all growth rates of 6% & 7.1% respectively in these plans. These growth rates in employment

would enable the State to almost overcome the problem of unemployment by the end of this century. The perspective scenario is summarised below :-

Table - IX

PERSPECTIVE SCENARIO OF GROWTH OF EMPLOYMENT

(In lakh persons)

Particulars	Eighth Plan (1990-95)	Ninth Plan (1995-2000)
1. Backlog of unemployment in the beginning	15.00	15.00
2. New entrants to the labour force (15-59 age)	48.00	57.24
3. Total job required (1+2)	63.00	72.24
4. Job opportunities to be created	48.00*	70.00
5. Average annual growth rate :		
(a) Income	6.0%	7.1%
(b) Employment	2.4%	3.1%
6. Unemployment at the end	15.00	2.24

* Based on Employment Elasticities used at the country level as mentioned in the document 'Some Basic Data' Eighth Five Year Plan (1990-95), Rajya Yojna Ayog, Niyojan Vibhag, Uttar Pradesh, August, 1990. This is also reinforced by an exercise carried out by the Respective Planning Division, the results of which are shown in Appendix-IV.

54. Looking into the past growth rate of 2.8% in employment during 1972-73 - 1977-78 in the economy of the country as a whole, the stipulated growth rates of employment generation in the State's economy should not appear unreasonable. However, realisation of these targets has several policy implications also. It will be necessary to identify policies which would help realise these targets. Without this policy support the targets may not be realised even though the targets of over-all growth may be achieved.

55. Unemployment is the difference between the labour force (the supply of labour) and employment (the demand for labour). The supply is the product of population and the participation rate and the demand is the product of the capital stock and the labour intensity. Therefore, our policies must simultaneously influence all the major variables which determine employment growth viz., the population growth rate and the participation rate on the supply side and the rate of investment and the technologies on the demand side.

POVERTY

56. Besides unemployment, poverty is yet another serious challenge before us. There is a close association between the two, although poverty is more widespread than unemployment. Hence, once the problem of unemployment is tackled effectively, poverty will be alleviated to a large extent. The fact is that poverty persists as the gains from growth do not equitably reach the poor and the poor, in turn, are unable to make any significant contribution to growth.

57. Information on the incidence of poverty is available from quinquennial surveys conducted by the National Sample Survey Organisation (NSSO). The latest NSS data on consumption pertain to the year 1988 collected under its 43rd round. While preparing estimates of the percentage of people below the poverty line for 1989-90 which is the terminal year of the Seventh Plan, the income growth was assumed about 5% per annum during the period 1985-90 and propensity to save was taken as 20%. The urban-rural per capita consumption ratio was taken as 1.29 as observed in 1983-84. As regards Eighth Plan, saving rate has been assumed the same (20%) and, urban-rural consumption ratio has been taken as 1.26%. The corresponding assumptions for the Ninth Plan are 22% and 1.24% respectively. The estimates of poverty which have emerged from this exercise are presented below :-

TABLE-X
POVERTY ESTIMATES FOR THE TERMINAL YEAR OF
THE EIGHTH AND NINTH PLAN

Particulars	Area	At the end of		
		Seventh Plan (1989-90)	Eighth Plan (1994-95)	Ninth Plan (1999-2000)
Population below poverty line (%)	Rural	44.08	31.92	17.64
	Urban	37.90	26.24	17.13
	State	42.67	30.44	17.48
Persons below poverty line	Rural	455.04	347.13	197.88
	Urban	115.44	102.82	86.56
	State	570.46	449.95	284.47

58. It will be seen from the above that a reduction of 12.23% and 12.96% in population below poverty line is likely to take place during Eighth and Ninth Plans with annual growth rates of 6% per annum and 7.1% respectively during these periods. There will be a reduction in the absolute numbers of poor also. About 1.20 crore people would have crossed the poverty line by the end of 1994-95 and another 1.65 crore by the end of 1999-2000. The

perspective of development; thus, promises to reduce the poverty-percentage to the level of about 17 percent by the end of the Ninth Plan. Nevertheless, the population below the poverty line would still be nearly three crores at the end of Ninth Plan. This would call for still greater efforts to achieve the ultimate goal of dimension of poverty.

THE STRATEGY

59. The choice of the aforesaid perspective of development for the nineties has emanated mainly from the considerations of (a) generating sufficient employment opportunities for fast growing number of job seekers on account of growth of labour force and high backlog of unemployed persons (b) bringing in substantial increase in per capita income and (c) maintaining a minimum rate of growth in per capita consumption also as an incentive to growth effort itself and, more importantly, to cause material reduction in the poverty percentage. Thus, the expectations and exigencies of the hour hardly give us ground to hope for soft options any more. The analysis has made it abundantly clear that any move for a reasonable step-up in the State's per capita income vis-a-vis all-India in the years to come would essentially call for substantially enhanced investments coupled with improved efficiency, discipline and hard work. In other words, the task ahead of a higher growth in the next plan than before is going to be very tough and toilsome.

60. The past experience has shown that it is one thing to carve out a reasonable perspective of development and to arrive at conceptually compatible configuration of future economic activities but altogether a different thing to make it meaningfully operational. This needs to be backed up by a thoroughly conceived strategy which may enable one to take care of the weaknesses of the economy on the one hand and help to optimally exploit the strengths, on the other, so as to strike a balance between planning and execution. Some salient features of this strategy are described here briefly.

AGRICULTURE

61. Any future developmental strategy aimed at faster growth of the economy has to place agricultural sector on top since State's economy is predominantly agricultural and is still likely to continue the same for a fairly long time. Hence, a two pronged approach is called for to appropriately address to the debilitating factors of agricultural growth as also to gainfully make use of untapped or under-tapped potentials.

62. An agricultural-based economy like ours, if allowed to face frequent shocks of floods and droughts, is bound to frustrate all efforts towards gaining take-off regardless sincere these efforts might be. The recent consecutive droughts in 1986-87 and

1987-88 affected almost entire State. Earlier also, the whole journey of planned development was frequently punctuated with flood and drought spells so much so that it has become more or less a recurring feature which indicates that something has gone wrong with the climatic cycle. The climatic cycle, of course, can not be changed but certainly some ingenuity can be found to reduce the ill-effects of floods and droughts on agriculture.

63. Hence, so far as agriculture goes, which is mainly responsible for sustaining the overall growth of the economy, the problem of floods and droughts is not to be fought with 'anacin' culture by merely relief measures but with large scale planning and execution. Thus, it should be viewed in a longer perspective and dealt with by long term measures viz. contour and field bunding with a well laid out drainage system, blocking gullies to hold rain water in hills and eroded terrains, massive vegetation and afforestation on barren lands, on roads, and canal aides, revival of old ponds and tanks for water storage as also other improved soil and water management practices. The measures for long term relief should be tied up with the framework of the plan and for this, the strategy of the state plans should include schemes which would, over a few plan periods, insulate areas prone to droughts and floods from the recurrence of these calamities. Side by side suitable steps are also urgently needed to develop varieties for dry farming to cover up irrigation shortages.

64. Looking at the agricultural production, State's performance in terms of production as well as productivity appears to have been impressive from the macro point of view. But when seen at the micro level, one does not find an encouraging picture. Barring Western region, where agricultural productivity favourably compares with those of developed states like Punjab & Haryana, it appears that a lot more still remains to be done in other regions. Agricultural plan must aim at duplicating results achieved in the Western Region in other regions of the State also.

65. While agricultural strategy should continue to be preoccupied with high yields, due attention will have to be paid to costs of production per unit of output, which has shown signs of faster acceleration cutting progressively into the net per unit gains of the farmers. There is no denying the fact that sustaining the growth in yields through new technology is bound to be expensive in an atmosphere of rising prices. However, rise in expenditure on inputs has to be commensurate with the rise in output. Increasing costs can-not be compensated through higher prices alone. Thus, more and more improved technology is necessary but it could be sustainable only when proved increasingly profitable in terms of physical and financial returns.

INDUSTRY

66. As a result of vigorous efforts made in the more recent past, the State of Uttar Pradesh emerged as the only State to record an industrial growth rate of more than 10% in the Eighties. The achievements during the Seventh Five Year Plan give us a hope that the State can now successfully compete with other industrially advanced states of the country.

67. The State's economy now finds a favourable industrial climate. The development of large scale enterprises and basic industries in the State has created a self-sustaining industrial environment. Entrepreneurs from all quarters viz. the old generation of industrialists or from the newly emerging houses or the professionally managed houses or the non-resident Indians are increasingly finding Uttar Pradesh a comparatively attractive location for their enterprises. In view of these favourable and welcome outcomes, the State needs a well-knit strategy for industrial development which could simultaneously take care of consolidating the hard-earned gains, utilizing untapped potentials and progressively steering the industrial venture ahead till the State's agriculture driven economy turns into a predominantly industrial economy.

68. Strategy for the faster development of industrial sector in an economy like ours, with severe constraints on capital and abundant availability of manpower, industries possessing value-added generating content and demanding relatively lesser capital and more labour stand obviously most suited and claim considerable ground for their promotion and expansion on a much larger scale.

69. In the industrial sector, it is unorganised industries which exercise dominance in the overall value added of the sector and holds key to faster employment generations. Among the organised industries, those fulfilling these criteria emerge as petro-chemical, electronics, food processing and software.

70. Organised industries when disaggregated into (i) Consumer Goods Industries (ii) Intermediate Goods Industries, and (iii) Capital Goods Industries revealed that it is the former category of industries that has far better employment potential as compared to industries of the other two categories. Consumer Goods Industries are to be preferred from the demand side also as the State happens to be one of the biggest market for consumer goods. From the view point of income generation also, they claim to be preferred. From amongst the unorganised industries, those which offer comparatively higher backward and forward linkages are to be at the centre forward position of our industrialisation process.

71. As regards choice of industries according to scale, small scale industries have definite edge over large scale industries because of inherent advantages arising out of its low overhead costs, vast employment potential at relatively low per unit of investment, flexibility with regard to location, short gestation period and simple techniques of production. Besides, easy availability of required machinery and equipments, relatively lesser efforts needed for mobilization of entrepreneurial motivation are the other factors which go in favour of small scale industries. The State must accord high priority to promote small scale industries by launching schemes aiming at enhancing supply of technological, financial, market inputs, etc. and implementing them in an effective manner so that the economy progressively finds a sound and solid support. In order to avoid competition with organised industries, items will have to be exclusively earmarked for the unorganised industries sector.

72. Establishment of ancillary units is the crucial ingredient of the process of industrialisation, both from the view point of generating income as well as employment. The State Govt. will have to find ways and means to establish downstream units to consume intermediates produced by 'mother units'. A coordinated policy encompassing the whole process from mother unit right upto downstream units is absolutely important.

73. Alongwith the aforesaid considerations, what is equally important is to modify our antiquated organisational structure and way of working and create an environment of hard-work, discipline, courtesy and sincerity. The official attitude of suspicion and procrastination will prove disastrous to our whole process of industrialization. In order to attain high standard of efficiency and success like that of Maharashtra & Gujarat, proper training in the management and operational aspect is a 'must' which could provide us with necessary entrepreneurial, managerial, organisational and administrative skills.

INFRASTRUCTURE

74. The electricity forms one of the most crucial inputs for the development of the economy. The debilitating bottleneck of power has hampered our growth process considerably. Unless, the State takes the bold new initiatives to enlarge the framework of this vital infrastructure, the targeted levels of agriculture, industrial and tertiary sectors may not be achieved. Hence, vigorous efforts are needed to keep supply of power a step ahead of demand. The following strategic points deserve special attention in this sector :

- (i) to bring substantial increase in the generation, improvement in the capacity utilization and reduction in the transmission and distribution losses. The importance of reducing T & D losses is highlighted by

the fact that reduction by merely one percent can lead to a saving of Rs.11 crore at current level of generation.

(ii) to ensure State's share in the central projects likely to fructify in the Eighth & subsequent plans.

75. Besides, the envisaged agricultural and industrial expansion may accelerate the pressure on transport infrastructure in future as transport infrastructure would ensure linkage between places spatially apart from each other and improve accessibility and accelerate mobility of people and goods. The most important in this context is the road transport in view of the fact that 82% of the population of the State lives in the rural areas. It is obvious that unless the road transport is thrown open across the urban and rural areas of the State, there can not be the desired impact of agricultural growth on industrial growth and vice versa. Efforts are, therefore, required to concentrate building and upkeep of good and all weather roads on the one hand and expanding the number of vehicles on the other.

POPULATION

76. Irrespective of the objectives of growth in perspective, the ultimate goal is human welfare. Essentially, our developmental gains should reflect in progressively decent living standards of the people. Obviously, human welfare could be optimised only when population growth is kept under permissible limits along with the increasing pace of development. Unless population growth is checked and checked fast enough, the enormous developmental efforts, which the economy is putting forth in each successive plan period, will come to naught.

77. The issue of State's population boldly figures, almost as a ritual, in all kinds of economic and social writings, in academic discussions, seminars and high-sounding speeches to show it as number one problem of the State. Unfortunately, it is all high on rhetoric but low on action plans and achievements. That is the impression one gets from the prevailing trend. The pace of State's population growth continues to be fast and there is little evidence that family planning programme is making the desired impact which it is supposed to or is claimed to make. The state's population increased with an annual rate of 1.5% during the decade 1951-61, 1.8% during 1961-71 & 2.3% during 1971-81. The projected population for the terminal year of the Seventh Plan yields a growth rate of 2.1% per annum during the period 1981-91. How far even this assumption corresponds to reality would be clear only through 1991 census. But the point in question is whether a poor State like Uttar Pradesh can stand to afford such a ominous trend in population upsurge for long. One should not feel reluctant in admitting the failures and sorting out the slips or lacunae in our approach.

78. The arithmetic of the benefits of a faster growth rate of the economy coupled with a vigorous family planning programme is not difficult to comprehend. Supposing that State's income had grown at 2% per annum since 1950-51, its per capita income would have risen from Rs.436, at 1970-71 prices, to as high as Rs.1373 in 1989-90 as compared to the estimated level of Rs.668 for the same year. And, if the population had grown at a rate of only 0.5% lower than it actually did, its per capita income would have attained a level of Rs.1675 by the end of the Seventh Plan, i.e., it would have been still higher by 22%. As against this, the State's economy, as we have observed earlier, is required to move since now onwards till the turn of present century with a much higher growth rate of 9.5% annually and that too to attain a much lower level of per capita income of Rs.1356. This exercise essentially points out towards the other side of the equation as important as the growth of State Domestic Product, but tends to be neglected in practice. Hence, it can be concluded that rather than always pitching the growth rate high, a full scale effort to reduce population growth must be launched in order to achieve the desired level of per capita income, as it is this income than the growth rate of state income that ought to be the central variable.

79. A determined commitment and concerted effort aimed at the reversal of the current demographic trends, 'therefore, deserve number one' position in the task list of the economy, if the benefits of growth are to have visible and meaningful impact on the masses. These calls for fresh incentives and disincentives to the two-child norm set forth by the State. Enormity of the problem does not allow its handling any more with a cosmetic approach or with a few officials of Medical Health & Family Welfare Department of the State alone. Instead, it must be dealt with much more firmly and seriously and the family planning programme must assume the dimensions of mass movement and campaign.

FINANCIAL RESOURCES

80. The perspective of development places before the State a task of formidable dimensions in terms of mobilizing matching resources for the required investment. The sequel available sources of State revenues viz. (i) State taxes and duties including share in central taxes and grants-in-aid, and (ii) Non-tax revenue including central assistance will have to be tapped with renewed stress and strength in order to fulfill the financial obligations.

81. The going on the resource front clearly indicate that the State will have to largely bank upon the centre to share the burden. The Central Government will have to come forward in a big way to provide adequate resources to the State in meeting its

needs of development. It would not be only in the interest of backward states like Uttar Pradesh but also of the nation, itself. A positive shift in the devolution of resources appears a 'must' otherwise backward states would continue to remain so and prove a drag on the growth of the country as a whole.

82. Thus, there is a very strong case for the centre to redefine its investment policy in favour of new priorities emanating from economically lagging states. The centre must also realize that persistent lag which has accumulated and snowballed over nearly last forty years is primarily because of missing orientation in the policy frame. The need for such orientation becomes still more pressing when viewed against this background that while the Central Government can make good the deficiency in its own resources by borrowings and deficit financing, the states have no such option. It is the responsibility of the centre, therefore, to release greater central assistance and provide higher sanctions for market borrowings to the backward states so as to enable them to manage the resource gap.

83. However, the state will also have to efficiently manage and mobilize adequate resources from within. A choice for faster growth in the Eighth Plan would mean a higher price in terms of taxes, austerity and considerable belt tightening. In other words, sufficient scope will have to be found out for enlarging the public as well as private savings and tax revenues. Some of the measures which can be initiated for this purpose are as follows:-

- (a) to bring in drastic curtailment of growth in conspicuous consumption expenditure on the one hand, and buoyancy in revenue growth, on the other,
- (b) to enlarge tax base to the possible extent as also to enhance tax collections.
- (c) to encourage public sector undertaking for financing capital expenditure from their own increased savings. Likewise, household savings also need to be substantially stepped up through designing suitable schemes with adequate incentives.
- (d) to place maximum emphasis on productive utilization of investible resources together with stress on the generation of domestic savings.
- (e) to ensure use of borrowings strictly for financing capital expenditure and not for meeting revenue expenditures.

(f) to review and rationalize the process and provisions of subsidies. Except only those found crucial on some weighty considerations, the rest may be discontinued. Subsidies retained ought to be explicit, direct and for how income sections of the people.

84. Increase in the resources is undoubtedly necessary but, at the same time, it is not a sufficient condition for achieving the targeted goals. Equally important is to achieve improvement in efficiency, capacity utilization and returns on past investments. The state can tighten screws on investments in new projects and concentrate on consolidating gains from the investments already made. Besides, our efforts must aim not just at growth but also at a rapid reduction in costs of services rendered.

85. It is now also high time to seriously think and settle the course of public corporations/undertakings for future. While operational autonomy of these corporations needs to be respected and adequate facilities and powers required to modernise and reduce costs should be available to them but accountability must also be rigorously enforced to arrest time and cost over-runs which result in colossal losses. Contributions of State owned enterprises has to be increased substantially for financing their investment plans through various measures like improved capacity-utilization, increase in productivity and drawing down of inventories. If we have to economise on resources, a hard decision that inefficient units are closed down or speedily rehabilitated is the need of the hour. A decision regarding their continuance has necessarily to be on economic and commercial grounds and not on the so-called social welfare arguments alone. The reason is very obvious. The existence of any unit on the latter basis only can not be sustained for long. Welfare can be maximised in an environment where growth is dynamic and of substantial magnitude. This, in turn, owes to a situation wherein every unit of investment is returned back to the process with positive gains.

86. The Planning Commission also appears to be veering round to the view that privatisation of some sick public sector undertakings would be inevitable, not only to overcome serious resource crunch but also to ensure realization of faster growth. The State Government may also, therefore, consider on priority the desirability of jettisoning some of its responsibilities, if new ones are to be tackled satisfactorily.

APPENDIX-I

**PERCENTAGE CONTRIBUTION OF DIFFERENT SECTORS TO THE STATE
INCOME IN THE TERMINAL YEARS OF SEVENTH, EIGHTH AND NINTH PLANS.**

(Rs. in crores at 1980-81 prices)

Sector	At the end of		
	Seventh Plan (1989-90)	Eighth Plan (1994-95)	Ninth Plan (1990-2000)
1. Agriculture and allied	9304 (45.89)	11320 (40.99)	14174 (36.42)
2. Mining and Quarrying	96 (0.46)	128 (0.46)	179 (0.46)
3. Manufacturing	3133 (15.19)	5521 (19.99)	8951 (23.00)
(a) Registered	1757 (8.52)	2830 (10.25)	4281 (11.00)
(b) Unregistered	1376 (6.67)	2691 (9.75)	4670 (12.00)
4. Electricity, Gas and Water Supply	185.72 (0.90)	276.14 (1.00)	428.09 (1.1)
5. Construction	701.59 (3.4)	966.49 (3.50)	1401.05 (3.6)
6. Trade	2744.45 (13.30)	3672.66 (13.30)	5215.01 (13.40)
7. Transport	515.87 (2.50)	717.96 (2.60)	1039.22 (20.67)
3. Services	3954.37 (19.16)	5011.75 (18.16)	7530.63 (19.35)
Total	20635 (100.00)	27614 (100.00)	38918 (100.00)

N.B.:- Figures in brackets denote percentage to total.

APPENDIX-II
GROWTH RATE OF DIFFERENT SECTORS DURING SEVENTH,
EIGHTH AND NINTH PLANS.

(Percent per annum)

Sector	At the end of		
	G.R. Seventh Plan (1989-90)	G.R. Eighth Plan (1994-95)	G.R. Ninth Plan (1990-2000)
1. Agriculture and allied	3.4	4.0*	4.6
2. Mining and Quarrying	9.1	5.9	6.9
3. Manufacturing	8.4	12.0	11.5
(a) Registered	11.1	10.0	8.6
(b) Unregistered	5.3	14.4	14.6
4. Electricity, Gas and Water Supply	8.4	8.3	9.2
5. Construction	1.6	6.6	7.7
6. Trade	4.3	6.0	7.2
7. Transport	5.8	6.9	7.6
8. Services	7.3	4.8	7.1
Total	4.9	6.0	7.1

G.R. = Growth Rate

* Agriculture and animal husbandry sub-sector has a growth rate of 4.2%

APPENDIX - III
SOME SELECTED TARGETS OF STATE'S EIGHTH PLAN

Item	Unit	1989	Eighth Plan		Corresponding	
		-90	Target Increase	Target Increase	increase during	increase during
		(Achievement of base year)	(1994 over - 95)	1989-90	Seventh Plan (1989-90 over 1984-85)	Sixth Plan (1984-85 over 1978-79)
1	2	3	4	5	6	7
-AGRICULTURE :						
	Lakh					
1. Foodgrain production	tonnes	337	430	93	38	68
Average annual increase	"			18.6	7.6	13.6
2. Sugarcane production	"	971	1075	104	255	55
3. Potato production	"	64	76	12	4	17
4. Oilseeds production	"	12	15	3	2	-6
5. Gross cropped area	"	254(P)	284	30	3	8
6. Cropping Intensity	%					
(1985-86)		147				
(1987-88)		147	162	15	7	6
7. Gross irrigated area as % of gross cropped area	%	57*	64	7	7	-6
8. Chemical fertilizers	Lakhtonnes	21	32	11	5.7	5.6
9. Agricultural Credit (Cooperatives)	Rs. cr.	542	1040	498	240	101
i) Short term credit	"	409	800	391	177	75
ii) Long term credit	"	133	240	107	63	26
0. Capacity in cold storages	Lakh tonnes	33	48	15	N.A.	N.A.
II- IRRIGATION :						
1. Potential creation	Lakh Hect.	222	287	65	48	45
a) Major & Medium Irrigation	"	67	75	8	5	4
b) State minor irrigation	"	36	42	6	5	6
c) Private minor irrigation	"	119	170	51	26	35
2. Gross irrigated area	"	139*	175	36	14	21
3. Area irrigated more than once	"	39*	50	11	13	9
4. Net irrigated area	"	100*	125	25		
III LIVESTOCK :						
1. Milk	Lakh tonnes	91	140	49	18	19
2. Per capita availability of milk	Kg.	68	95	27		
3. Egg production	Crone No.	42	250	208	5	9
4. Per capita availability of eggs	No.	3	17@	14		
5. Fish production	Lakh tonnes	0.93	1.50	0.57	0.43	0.20

Provisional
1987-88

Against 69 of Punjab, 51 of Andhra Pradesh and Kerala and 22 of country as a whole.

APPENDIX - III (Concl'd.)

1	2	3	4	5	6	7
IV POWER :						
1. Energy sold	M.U.	18110	32260	14150	6951	3130
2. Electrification of villages according to:						
a) L.T.Mains	Percent	42.0	79.5	34.5	14.6	13.5
b) CEA definition	Percent	71.4	100.0	28.6	15.4	23.8
V-EDUCATION:						
1. Enrolment (age group 6-10)	Percent	80	100	20	5	
2. Enrolment (age group 11-13)	"	43	60	17	1	4
3. Literacy (1981)	"	27.2				
a) Male	"	<u>34(P)</u> 48	<u>50</u> 60	<u>16</u> 12		
b) Female	"	20	39	19		
VI-ROADS:						
Villages connected with all weather roads(total villages-1,12,566)						
a) Villages with population of 1500 & above(Total 10899)	"	96	100	4	25	23
b) Villages with population of 1000-1500 (Total 11396)	"	57	100	43	14	18
VII-WATER SUPPLY:						
Villages with safe & adequate water supply (Total 112566)	"	85	100	15	39	31
VIII-PUBLIC HEALTH:						
1. Birth rate	Per'000	38\$	28	-10		
2. Death rate	"	15\$	10	- 5		
3. Infant mortality rate	"	132\$	80	-52		
4. Population growth (per annum)	Percent	2.2\$	1.8	-0.4		

P Provisional.

\$ Pertains to 1986.

APPENDIX-IV

**ESTIMATES OF LIKELY ADDITIONAL EMPLOYMENT GENERATION
ON THE BASIS OF LABOUR COEFFICIENTS OBSERVED IN THE PAST**

Sector	Eighth Plan		Ninth Plan	
	Employment (Lakh no)	Percentage	Employment (Lakh no)	Percentage
1. Agriculture and allied	23.23	48.72	32.88	43.43
2. Mining and Quarrying	0.9152	1.92	1.46	1.93
3. Manufacturing				
(a) Registered	0.70818	1.49	0.95766	1.26
(b) Unregistered	5.20608	10.92	12.19	16.10
4. Electricity, Gas and Water Supply	0.9100	1.91	1.52	2.01
5. Construction	1.69600	3.56	2.7812	3.67
6. Trade	1.906	4.00	3.03	4.00
7. Transport	2.228	4.67	3.7016	4.89
8. Services	10.88308	22.82	17.191	22.71
Total	47.68254	100.00	75.71146	100.00

Source : A study titled 'Computation of Labour Coefficients for 64 sectors of I-O Table (1970-71)'

Appendix-V
Quinquennial rural/urban population ('00) by age and sex as on 1st march 1991-2001 Uttar Pradesh

Age group	Male		Female
1991		Rural	
0-14	22,001,9		19,728,0
15-29	14,890,2		12,971,4
30-44	8,330,8		8,121,0
45-59	5,883,3		5,655,9
60 +	3,699,1		3,174,6
Total	54,805,3		49,650,9
		Urban	
0-14	6,148,4		5,876,9
15-29	5,646,9		4,561,1
30-44	2,792,1		2,298,9
45-59	1,686,0		1,418,5
60 +	853,5		734,2
Total	17,126,9		14,889,6
1996		Rural	
0-14	22,678,1		20,458,7
15-29	15,490,6		13,878,8
30-44	9,252,3		8,519,7
45-59	95,948,8		5,954,6
60+	3,985,1		3,477,6
Total	57,354,9		52,289,4
		Urban	
0-14	7,740,0		7,515,5
15-29	7,194,7		5,984,7
30-44	3,793,5		2,973,9
45-59	2,082,0		1,838,5
60+	1,122,4		990,2
Total	21,832,6		19,302,8
2001		Rural	
0-14	22,573,8		20,454,6
15-29	15,490,7		14,177,3
30-44	10,389,6		9,274,9
45-59	6,001,9		6,105,4
60+	4,206,3		3,784,1
Total	58,662,3		53,796,3
		Urban	
0-14	9,670,7		9,489,6
15-29	8,986,6		7,712,5
30-44	5,347,8		4,096,2
45-59	2,637,2		2,377,6
60+	1,487,3		1,359,8
Total	28,129,6		25,035,7

CHAPTER-II

POVERTY AND UNEMPLOYMENT

Employment

Poverty and inequality are interrelated phenomena and the impact on one of these is bound to have its impact on the other. Elimination of poverty is possible only if adequate opportunities of gainful and productive employment at reasonable incomes are created for absorption of the increasing labour force. It is a matter of serious concern that even after several plans, the problems of unemployment and underemployment still remain unsolved. The past experience tells us that growth per-se is not a sufficient condition for the solution of this problem. The pattern of growth is far more important than the quantum of growth for solving this vexed problem. The problem has already assumed gigantic proportion and is threatening the very socio-economic fabric of the country. It is for this reason only that the 'Approach' to the Eighth Plan describes removal of unemployment and underemployment as the central objective of the plan.

2. This chapter describes the more recent growth in employment, the size of the problem of unemployment and poverty at the commencement of Eighth Plan and the reduction likely to take place in the same during this plan.

EMPLOYMENT TRENDS

3. The Census, Employment market information reports, surveys of NSSO on employment and annual surveys of industries are the four main sources of employment data. Even though, these sources suffer from certain limitations due to conceptual and methodological changes and make it difficult to arrive at precise quantification of employment and unemployment, they provide a broad idea of the situation and trends.

CENSUS

4. Census, which is the primary source, gives the number of main workers in the state. The percentage of these workers in the state was 31 in 1971 which declined to 29 in 1981. So far as the share of main workers in total population is concerned, Uttar Pradesh lagged behind most states in the country and ranked 18th amongst 22 states. The states like Andhra Pradesh (42.26 per cent), Tamil Nadu (39.30 per cent), Maharashtra (38.71 per cent), Madhya Pradesh (38.41 per cent) & Karnataka (36.76 per cent), were far ahead of U.P. in this respect. The percentage of these workers in the country was 33.

5. The growth of main workers in the state is given in table-1.

Table-1 :
Main Workers in Uttar Pradesh
(No. in lakhs)

Census	No. of workers			Percentage in the respective population		
	Persons	Male	Female	Persons	Male	Female
1	2	3	4	5	6	7
1951	269	198	71	42	60	24
1961	289	225	64	39	58	18
1971	273	245	28	31	52	7
1981	324	296	28	29	50	5

Source : Census Data.

6. It will be seen that in the decade 1951-61, the number of main workers increased by 20 lakhs, where as in the subsequent decade this number was reduced by 16 lakhs. Again in 1971-81, there was an improvement in the number of workers by 51 lakhs. The fluctuation in the number of workers from one census to another was partly due to the change in definition also. However, one thing which is undisputable is that the number of female workers kept on shrinking. It went down by seven lakhs during 1951-61 and by 36 lakhs in 1961-71. It remained almost stagnant during 1971-81. Thus, while the number of male workers during the three decades increased from 198 lakhs to 296 lakhs, showing, an addition of 98 lakhs, the number of female workers was reduced from 71 lakhs to 28 lakhs, showing a decline of 43 lakhs.

7. The employment growth between 1971 and 1981 census shows an increase of 51 lakh workers, yielding an annual compound increase of 1.71 per cent in employment in the state, as against the population growth of 2.3 per cent. It will also be seen that the share of workers in the population shows a consistent declining trend. The share came down from 42 per cent in 1951, to 29 per cent in 1981.

8. The analysis of employment growth¹ by industrial classification during this period shows maximum employment growth (7.16 per cent) in mining and quarrying sector. However the number of workers in this sector was not very significant. Next to this is the construction sector which recorded 7.05 per cent growth. But the other sectors of manufacturing and transport, storage and communication activities showed a growth of 3.91 per cent & 3.44 per cent growth respectively. The growth in agriculture was about 2 per cent.

9. The overall distribution of workers by broad categories indicated a marginal decline of workers from agriculture and allied sector' to manufacturing and repairs activities and other

1. Annexure-1.

works. Agriculture sector still continued to occupy the dominant position with three-fourths of the total workers engaged in it. The sector of workers manufacturing and repairs' and some other sectors could absorb only 3 per cent workers who were otherwise working in agriculture sector.

Table-2 :

Distribution of workers by broad sectors according to 1971 and 1981 censuses.

Sector	(Percentage)					
	1971			1981		
	P	M	F	P	M	F
1	2	3	4	5	6	7
Agriculture and allied.	78	77	88	75	75	84
Manufacturing and repairs.	7	8	5	9	9	7
Other works.	15	15	7	16	16	9
	100	100	100	100	100	100

10. It is evident from the above table that there is very high concentration of workers in agriculture sector. While there were about 75 per cent² workers in agricultural activities, the states like Maharashtra (61.75 per cent), Tamil Nadu (60.95 per cent), Haryana (60.78 per cent), Gujarat (60.11 per cent), (Punjab 58.01 per cent) and West Bengal (55.00 per cent) had much lower percentage of their workers in this sector. One of the main reasons for the backwardness of the state is that a large number of workers in the agriculture sector are severely underemployed. Though about three-fourth workers are engaged in the agriculture sector in the state, the share of this sector in the state income is declining, leading to low income of workers. The share of agriculture and allied sector in the state income was 58.4 per cent in 1970-71 at current prices which has declined to 41.8 per cent in 1988-89.

EMPLOYMENT MARKET INFORMATION REPORT

11. Employment market information data deals with employment in the organized sector establishments.³ This sector covers only about 6 to 7 per cent of the total workforce. The state lagged behind in the organized sector employment also due to industrial backwardness. According to a quick estimate of employment in the organized sector by Union Labour Ministry in April-June 1988, only 7.57 per cent of the total workforce was engaged in the organized sector in the state while states like West Bengal,

2. Interstate comparative statistics 1988
Economic & Statistics Division, State Planning Institute, Uttar Pradesh, Lucknow, page 11-12.

3. All public sector units and non agricultural establishments employing more than 10 persons.

Haryana, Punjab, Maharashtra and Gujarat had much higher percentages of workers in this sector ranging between 14 and 16 per cent.

12. There were about 22.76 lakh workers in the organized sector in 1977-78⁴. This number rose to 26.51 lakhs in 1987-88 recording an average annual growth of 1.54 per cent during this period. The distribution of workers by public and private sectors showed that private sector employment almost stagnated between 5 and 6 lakhs. When viewed from the national angle this state's share in the organized sector employment in the country was 10.18 per cent only in December 1988, as against its one-sixth population. On reviewing employment growth in this sector by industrial classification⁵ it was observed that mining and quarrying activities had the highest annual growth of 4.82 per cent. Next to this activity was agriculture where the average annual increase was 2.92 per cent, followed by trade sector with 2.50 per cent and service with 1.88 per cent. In other activities the annual increase in employment ranged between 0.75 and 1.35 per cent.

NATIONAL SAMPLE SURVEYS

13. Conducted at five years' interval these surveys provide an average picture of the situation of a year. The estimates of N.S.S. are built up on three status approaches viz. usual, current (weekly) and current (daily). According to central sample of 32nd round⁴ in 1977-78 there were in all 329 lakh workers based on usual status. This work force rose to 461 lakhs in 1987-88 during 43rd round, recording an increase of 132 lakh workers with an average annual increase of 3.44 per cent or about 13 lakh workers per year. The annual growth rate of employment by industrial classification revealed the highest growth of 6.25 per cent in construction activities, followed by services with 5.75 per cent. Trade and transport activities had 4.50 per cent and 3.65 per cent employment growth respectively. In agriculture sector this growth was 2.98 per cent.

14. The analysis of flows of these incremental 132 lakh workers shows that 62 percent or about 82 lakh workers continued to hang on to agriculture. This took place on account of the fact that opportunities for employment in other more remunerative sectors were not available to absorb workers engaged in agriculture sector. In 1988, 13.64 per cent workers of the incremental work force were absorbed in service sector while 8.33 per cent settled in trade activities.

ANNUAL SURVEY OF INDUSTRIES :

15. This survey covers all the registered factories in the state. The survey gives industrywise information about investment, workers, input, output, fixed and working capital,

4. Annexure-2.

5. Annexure-3.

6. Annexure-4.

etc. in the reports of Annual Survey of Industries. The report reveals that during the decade 1975-76 to 1985-86, employment has increased at the rate of 1.65 per cent per annum, while the annual increase in output was 7.31 per cent. The employment elasticity with respect to output for this period, thus, works out to 0.23. This shows that employment growth during the past decade has been relatively very slow in the registered manufacturing sector vis-a-vis output. This is due to higher capital intensity in this sector in the recent past.

16. After agriculture and allied sector, the manufacturing sector employs the largest number of workers. The share of workers in manufacturing sector is about 9 per cent in the state. Though the employment in registered manufacturing sector is increasing but it is declining per lakh of investment. The employment per lakh investment⁷ was 2.28 in 1975-76 which decreased to 1.82 in 1980-81 and was further reduced to 0.75 in 1985-86. In view of this declining trend, the unregistered manufacturing sector, which has larger potential of employment, deserves special consideration and support.

UNORGANIZED SECTOR EMPLOYMENT

17. The total workforce is absorbed in organized and unorganized sectors. The unorganized sector is a non reporting and unregistered sector. But it is a very vast sector covering about 93-94 per cent workers of the total workforce. Being non-reporting, there is no reliable source of data for this sector. In view of its wide coverage an attempt has been made to work out some broad estimates of employment growth for the unorganized sector. For this purpose, the total workers in 1977-78 and 1987-88 according to 32nd and 43rd rounds of N.S.S., based on usual status, have been taken into account for the total work force in the state and the organized sector employment for the same years has been used to arrive at the estimates of the unorganized sector employment.

18. There were about 306 lakh workers⁸ in the unorganized sector in 1977-78. This work force rose to about 434 lakhs in 1987-88 with an average annual growth rate of 3.56 per cent. The analysis of employment growth in this sector by industrial classification revealed that service activities⁹ recorded the highest annual increase of 8.48 per cent, followed by construction activities (7.49 per cent). Transport activities also gave an encouraging trend of (5.62 per cent) increase, while trade recorded an increase of (4.50 per cent). The employment growth in the agriculture sector was the same as that for the total work force.

7. Annexure-5.

8. Annexure-6.

UNEMPLOYMENT : SIZE AND TRENDS

19. The Live Register (L.R.) maintained by the employment exchanges keeps a record of the job seekers. These are available in series and their comparison between different years can be made despite certain limitations of the data. Table-3 gives the number of job seekers on the Live Register.

Table-3.:

Growth of job-seekers in U.P.

		(In lakhs)
Year (December)	Registration in the year (December)	No. on the L.R.
1	2	3
1981	8.29	15.06
1982	8.61	16.15
1983	10.41	18.55
1984	9.54	18.77
1985	8.81	25.70
1986	7.44	32.55
1987	7.52	29.59
1988	8.47	29.74
1989	7.89	31.14

Source: Records of the Directorate of Training and Employment U.P.

20. A perusal of the data, reveals that though the overall figures have increased, yearly registration has declined. The reason for this is that a decision was taken in 1985 to renew the registration after three years instead of two years' period. The total figure of registration has shown a rising trend. It may be hoped that the effect of the 1985 decision will be neutralised after sometime. Live Register statistics also revealed that unemployment is increasing fast among educated manpower as the number of 2.76 lakh job seekers with High School qualification in 1979 rose to 6.5 lakhs in 1988, showing 135 per cent increase during 1979-88. The number of job seekers with Intermediate qualification also rose from 3.27 lakhs to 7.56 lakhs, showing 132 per cent increase. The same increase was 123 per cent for graduates and 184 per cent for post graduates. These figures speak of the severity of the problem of unemployment amongst the educated manpower.

Regional Dispersal of Unemployment

21. The problem of unemployment is not of the same magnitude in all the regions of the state. Except 27th round of N.S.S. (1972-73) the situation of unemployment by regional variations is not available from subsequent rounds. According to 27th round, of the total wholly unemployed persons about 43.13 per cent persons

9. Annexure-7.

were concentrated in the eastern region, followed by the western region with 29.55 per cent. This situation of a higher incidence of unemployment in the eastern region may not have changed substantially during this period. It would, therefore be in the fitness of things to pay special attention to the eastern region in employment generating programmes. Table-4 gives the regional percentages of unemployment.

Table-4 :
Distribution of the wholly unemployed persons.

Region	Percentage to total unemployed persons		
	Rural	Urban	Total
1	2	3	4
1. Hill	4.34	6.06	4.98
2. Western	24.86	36.36	29.55
3. Central	13.00	21.97	16.67
4. Eastern	51.44	31.06	43.13
5. Bundelkhand	6.36	4.55	5.67
STATE	100.00	100.00	100.00

22. Unemployment also exists among scientific and technical categories which is a matter of grave concern. The overall unemployment rate as percentage of their population according to 1981 census DHTP survey conducted by CSIR was about 20.20 per cent which was equivalent to 25.00 per cent of the labourforce. It may also be pointed out that the proportion of the component of out of labourforce among these personnel was 22 per cent which was the highest among the states. The live register figures also indicate that unemployment is increasing among technical categories also.

23. Studies of the manpower division of the State Planning Institute reveal that in the rural areas although most of the educated persons came from agricultural families, they wanted white collared jobs of clerks, typists, teachers and other skilled jobs in the wage sector. It may also be pointed out here that besides unemployment large number of persons are subsisting on very low incomes.

Labour force : Size and Composition

24. In the generation of income only a proportion of the population is actually involved. These are called workers. But there are some other persons also who are available for work but do not find work. Such unemployed persons and workers together constitute the labourforce. Their optimum use is the main goal of a developing economy. It is the labour force which creates demand for employment and, it is the output in the economy which determines the supply of employment. The gap between these two is known as unemployment. The larger the gap, the bigger is the size of unemployment. The function of employment planning would be to reduce this gap to the maximum extent.

25. The results of the National Sample Survey (Central Sample) have been adopted for estimating the size of workers and unemployed persons. The Expert Committee has desegregated the population by age groups. Population in the age group 15-59 years is presented in the following table-5 :-

Table-5 :

Population in age groups 15-59 years.
(In Lakhs)

Category	31st March, 1990	31st March, 1995	Additions
1	2	3	4
Male	385.13	430.04	44.91
Female	343.49	384.22	40.73
Rural	552.77	586.39	33.62
Urban	175.85	227.87	52.02
Total	728.62	814.26	85.64

26. The 43rd round of the N.S.S. has indicated the following labourforce participation rates(LFPR) according to different approaches viz. usual status, weekly status and daily status. Labourforce participation rates for the age-group-15-59 years are given below.

	LFPR
1. Principal usual status	56.75
2. Weekly status	55.75
3. Daily status	55.66

Presuming that the results of the 43rd round would hold good for the Eighth Five Year Plan period also, the labourforce during the Eighth plan 1990-95 is likely to be as under :

Table-6 :

Projections of labourforce for the period 1990-95 (43rd round)

(In Lakhs)

Basis	15-59 years		
	1990	1995	Additions
1	2	3	4
1. Principal usual status	413.49	462.09	48.60
2. Weekly status	406.20	453.95	47.75
3. Daily status	405.55	453.22	47.67

27. The National Sample Surveys also throw light on the unemployment situation. Trend in unemployment on daily status basis is given in Table-7:-

Table-7 :

Unemployment rate as percentage of labourforce.

<u>Rounds</u>	<u>Unemployment rate (15-59)</u>
<u>1</u>	<u>2</u>
27th (1972-73)	3.75
32nd (1977-78)	4.33
38th (1983)	4.71
43rd (1987-88)	3.60

Source : N.S.S. Reports, Govt. of India.

28. The rates of unemployment show a rising trend, from 3.75 per cent of the labourforce for the 27th round in 1972-73 to 4.71 per cent in 1983 according to 38th round. But the unemployment rate has declined to 3.60 per cent in 1987-88 for the 43rd round of N.S.S.. This decline in unemployment rate is not necessarily an indication of improvement in the situation of employment or under-employment. As all levels of time intensity in terms of work and income in terms of wages are considered for employment, increases in workers without reasonable incomes, necessary for sustenance, is a misnomer for employment.

29. The aggregated unemployment rates have been worked out as under :

Table-8 :

Unemployment as percentage of population and labourforce (in parenthesis) according to 43rd round of the N.S.S.

<u>Assumptions</u>	<u>15-59 years</u>
<u>1</u>	<u>2</u>
Usual	1.12 (1.97)
Weekly	1.57 (2.8)
Daily	1.99 (3.60)

Source : N.S.S. Report 43rd round (Central Sample) Govt. of India.

30. Of the three approaches the rate based on the daily status appears to be more realistic because it is the average daily pressure of job seekers on the labour market. The other two concepts give figures in terms of numbers who might or might not be wholly employed or unemployed and as a result the estimates based on these approaches might under estimate or over estimate the situation. The daily status approach has yielded a rate of 3.60 per cent of the labour force in the age group 15-59 years which has been used for estimating backlog of unemployment at the

beginning of the Eighth Five year Plan. According to this rate the total backlog in 1989-90 at the beginning of the Eighth Five Year Plan (1990-95) would be around 15 lakh person years.

31. It has been observed that the intensity of unemployment is higher in urban areas among all age groups. The proportion of unemployed persons by educational category in the age group 15 + according to daily status in the 38th round of N.S.S. shows that as the educational level increased, the proportion of unemployed persons has also increased.

Table-9 :

Unemployment as percentage of population.

Educational level	Rural	Urban
1	2	3
Illiterate	1.51	2.39
Literate upto primary	2.23	3.68
Middle	2.64	4.81
Secondary	3.93	3.98
Graduate & Above	7.27	6.14
Not recorded	1.27	6.13
All	1.87	3.55

**EMPLOYMENT SITUATION DURING
THE EIGHTH FIVE YEAR PLAN (1990-95).**

32. As stated earlier, there will be an addition of about 48 lakh persons to the labourforce during the plan period. Besides a backlog of 15 lakh person years, as on April 1, 1990 has also been estimated. Thus during the Eighth Five Year Plan (1990-95) period, work opportunities equivalent to 63 lakh person years will be needed to provide jobs to these work seekers. The educational

distribution of these job seekers is likely to be as follows :-

Table-10 :

Educational break up of job requirements during the Eighth Five Year Plan.

Level	Lakh person years	Percentage to total
1	2	3
1. Illiterate	30.90	49.05
2. Literate upto primary	12.13	19.25
3. Middle	7.90	12.54
4. Secondary	7.34	11.65
5. Graduate and above and others	4.73	7.51
Total	63.00	100.00

33. These requirements do not include work opportunities which are required for severely underemployed persons in rural areas who are surplus in agriculture but hang on to agriculture because there are not enough opportunities in the other sectors to absorb them. There is excessive pressure of population on agriculture in the state. This sector continues to have much more workers than what are actually required for the present level of agricultural development leading to a sizeable proportion of these workers being more or less surplus, with very little work and extremely low incomes. It has been estimated that at the present stage of development, crop and animal husbandry together can give gainful employment to about 176 lakh workers only against a total number of 252 lakh workers engaged in these activities in the state. There are thus about 76 lakh surplus workers in this sector who are not gainfully employed and opportunities for employment for these workers are also required to be created to achieve near full employment in the state.

34. The situation becomes all the more serious when viewed in the light of predominant share of marginal holdings. There were about 51 per cent holdings below 0.5 hectare and another 21 per cent between 0.5 and 1 hectare. The increasing pressure on land is further substantiated by the fact that the average size of holdings came down from 1.16 hectare in 1970-71 to 0.93 in 1985-86. In this background, therefore, gainful employment opportunities are required to be created for these 76 lakhs persons also. The maximum opportunities for these workers should be created in rural areas to check migration to urban areas. In other words, these opportunities will have to be created mainly in agriculture and allied areas and village and small industries.

35. If these 76 lakh severely under-employed persons with only nominal work and earnings in agriculture sector are also included while estimating job requirements of the Eighth Plan, additional job opportunities equivalent to about 139 lakh person years will have to be created for removal of total unemployment and under employment.

SUMMING-UP

36. It has been stated in the beginning that unemployment and poverty are inter-related and that it is only through generation of employment opportunities and consequent reduction in unemployment, both open and disguised, that poverty can be reduced. Employment in this context, should be gainful, productive and self sustaining with reasonable wages and incomes to be able to make its impact on poverty on a long term basis. Such employment can be the byproduct of growth only. Subject to this broad parameter, employment opportunities can vary with overall growth remaining the same or even rising a little higher, depending upon the pattern of output and growth and technologies used for the same.

37. This aspect has been kept in view while planning for employment in Eighth Plan. It may be mentioned, however, that while the main thrust in Eighth Plan will be to generate self sustaining and gainful employment, both in the nature of self employment and wage employment in the mainstream of development process, special employment-programmes will also be taken up on short term basis and as an interim measure until adequate employment opportunities become available in the economy to provide wage employment in areas with chronic unemployment and poverty. One of the necessary conditions of such employment programmes will be that they lead to creation of community productive assets. The details of such employment programmes together with mandays work which they will generate will be worked out as soon as the Employment Guarantee Scheme, currently under consideration of Government of India, is finalized.

38. Before dealing with projections of employment generation in Eighth Plan, it will be useful to describe once again some of the salient features of employment situation in the state. Whether we go by the data¹⁰ of census or of National sample surveys, the following few facts emerge very clearly :-

(I) 'Agriculture including animal husbandry' not only continues to be the major employer but is also absorbing highest percentage shares of addition to the work-force. The shares of this sector at no time were lower than 70 percent in the work force and not lower than about 60 percent in the additions to the work-force between two points of time. Except for Bihar¹¹ the corresponding shares of all other major states in additions to the work-force between 1971 and 1981 (Census) were much lower, ranging from about 23 percent in Gujarat to about 58 percent in Madhya Pradesh. This gives an indication of very inadequate expansion of employment opportunities in the state in sectors other than agriculture.

(II) There was a marginal decline only in the share of workers engaged in agriculture, from 73 percent (1977-78) to 70 percent (1987-88) but the share of income of this sector in the total income during this period came down from 53

10. Annexure-8.

11. Annexure-9.

percent to 42 percent. This only reinforces the statement already made that the incidence of severe-underemployment is not only very high in this sector but that there is deterioration in the same and that the income per worker of this sector, instead of showing any increase, is going down in real terms.

(III) This situation also proves the point made earlier that the number of workers and the increases in the same alone are not a very correct indicator of employment and its growth. Going by this indicator alone, a situation may arise of near full employment with high incidence of poverty. There can be no worse contradiction than this in the economy.

(IV) The average annual increases in workers in manufacturing sector, which is the second single largest employer with 9.32 per cent (1987) of the work-force, were 0.93 lakh from 1971 to 1981 (Census), and 1.20 lakhs from 1977-78 to 1987-88 (N.S.S.). There was, thus a marginal improvement only during 1980's in this respect. But this sector could absorb only about 9 percent of the addition to the work-force during 1977-78 and 1987-88. However, the more significant thing about this sector is that, unlike agriculture, the share of this sector in the total income went up from 10 percent to 13 percent during this period, against its nearly static share of about 9.5 percent.

(V) There is a similar trend in the 'rest' sectors, also, combined together. The shares of these sectors (a majority of these belong to tertiary sector) in workers is 21 per cent (1987) and in additions to the work-force, from 1977 to 1987 about 29 per cent. The average annual increase in workers in these sectors together from 1977 to 1987 was 3.80 lakhs against 1.13 lakhs during 1971-81. However, like manufacturing sector, the share of these sectors in total income rose significantly from 37 per cent (1977-78) to 45 per cent (1987-88), against a modest increase in the share of these workers from 17 per cent to 21 per cent only during the same period.

39. The point made above is further reinforced from the comparative growth which took place in workers and income in a period of ten years from 1977-78 to 1987-88¹². Against an overall growth of 40.1 per cent in workers during this period, the growth in income in real terms (at constant prices of 1970-71) was 51.6 per cent. A higher growth in income in comparison to the growth in workers means that the output and income per worker also increased, howsoever insignificantly, during this period. As against this over-all picture, the sectoral picture in this respect is quite disturbing. The increase in workers in agriculture was 34.5 per cent, but the increase in income in this sector was 24.8 per cent only. As against this adverse situation affecting about 70 per cent of workers in this sector, the situation in the other sectors was altogether different. There was a growth of 41 per cent workers in the manufacturing sector, employing only about 9 per cent of the total workers, but the

growth in income of this sector was 138 per cent. Similarly, the growth in workers in the rest sectors together, employing about 21 per cent of the total workers, was 62.5 per cent and the growth in income of these sectors was also 71.6 per cent.

40. It follows from the above discussion that both from the point of view of an assessment of the magnitude of the problem of unemployment and of economic planning, the growth in total workers (work-force) alone, regardless of their work intensity in terms of time and output or income, should not be taken to represent growth in employment. This is evident from the fact that it is the addition of 82 lakh workers (62.12 per cent) to the work force in agriculture sector out of the total addition of 132 lakhs during this period which has yielded a high but most misleading average annual employment growth of 3.4 per cent, against a much lower growth of 1.7 per cent only between the two census of 1971 and 1981.

41 The agriculture sector in this state is already afflicted by a very high incidence of severe underemployment and the induction of more and more workers in the sector, without significant improvement and diversification in its output, will make this incidence still more worse. If, therefore, the addition (82 lakhs) to the workforce of this sector is ignored altogether the growth in workers in the rest sectors ($132-82=50$ lakhs) would yield an average annual employment growth of 1.2 per cent only. And if the same addition, instead of being ignored altogether, is deflated by 80 percent bringing down figure from 82 lakhs to about 20 lakhs to provide for a higher growth in per worker income of this sectors also, the employment growth will be 1.7 per cent per annum only on the basis of addition of 70 lakh workers ($50 + 20$). Therefore, it would not be wrong to assume that growth in employment in the real sense of the word has been in the range of 1.5 to 2.0 per cent per annum only, and that the growth of 3.4 per cent based upon figures of the two national sample surveys of 1977-78 and 1987-88 is misleading and does not represent the correct picture.

42 Apart from very high shares of agriculture in the workforce and in additions taking place to this force, there is yet another reason behind lower rates of unemployment in this state as compared to other states. The literacy rate of the state is very low¹² and unlike many other states, where on account of high rates of literacy the aspirations of the people are also high on account of which the underemployed amongst them also consider themselves unemployed until they are suitably and better placed, the illiterates in this state are seldom look forward to brighter and better prospects and are easily reconciled to consider themselves employed with whatever little work they are doing. It is one reason why rates of unemployment are also generally higher in states having high rates of literacy.

43. Having had a broad assessment of employment status and the growth in employment in the state, as described above, one is inevitably led to the following few conclusions :-

13. 27.16 per cent in 1981 against 36.23 per cent of the country.

(I) The state's Eighth Plan should focus on generation of gainful, productive and self-sustaining employment in adequate numbers and in a dispersed manner.

(II) Amongst different sectors of the economy, agriculture including animal husbandry would continue for still some more time to absorb the largest share of labour-force and additions to the same. It must, therefore, receive the highest attention to increase its output. However the past trends should be enabled to grow at higher rates than before and in a manner so as to absorb increasingly larger share of labour force, thereby reducing the share of agriculture in workforce, without any adverse impact on its output, to make it more remunerative for its workers.

(III) Consistent with overall objectives of the plan, the contribution to growth and output should increase from sectors having more employment potentials and efficient and cost effective labour intensive technologies should be encouraged in all sectors.

(IV) While maximum efforts should be made within the framework of the economy to create employment opportunities, the demand for employment which is basically the function of population growth and the pattern of education should also be managed and contained in a manner so that the mismatch between supply and demand is reduced in a timeframe.

44. The growth and output profile of Eighth Plan has been prepared, keeping these directions in view. The previous chapter explains in detail the rationale of the targeted growth of 6 percent per annum for the Eighth Plan and within the same, the targeted growth of 4.2 percent per annum for agriculture against lower achievements of 3.2 percent only in the previous two five year plans, and of an equally higher growth rate of 12 percent per annum for the manufacturing sector and within this sector, a still higher annual growth of 12.6 percent for unregistered manufacturing sector against a much lower growth of 5.3 percent only during Seventh Plan. It is not necessary, therefore, to explain here also the relevance of these growth rates for employment generation.

45. The investment profile and targets of Eighth plan have also been worked out keeping these considerations in view. The growth in agriculture is sought to be achieved mainly by maximizing irrigation and cropping intensity, development of land, increase in area and productivity of high-value crops like fruits and vegetables, dry-land farming and by giving a big 'thrust' to the programme of production of eggs, milk and fish. The village and small scale industries will also receive special attention and attempt will be made to expand non-agricultural & manufacturing activities in rural areas. Construction including housing is yet another promising area for employment generation. It is proposed, therefore, to take necessary steps which may encourage construction of houses on large scale particularly in small and medium towns and in rural areas. The growth in income and employment in tertiary sector is mainly the function of growth and surpluses generated in commodity producing sectors,

particularly in agriculture including animal husbandry and manufacturing sectors. The strategies to maximise employment have been explained separately in sectoral chapters of this document.

46. The growth in employment, gainful & self-sustaining is linked to growth in output and income. For, the employed persons ultimately share a part of this output and income only. Even though, the opinion has versed round to the view that any correlation between rate of growth of output and the rate of growth of employment should not be used for making any short term or medium term projections of employment for future, we cannot totally disregard for this purpose the rate and structure of output proposed for Eighth Plan. Based upon the targetted rates of growth in sectoral income and output, the changes likely to take place in the structure of income at the end of the plan, the shift in emphasis and strategies aimed at a faster development of rural areas and growth in income of rural population, projections of employment generation in Eighth plan have been worked out. These projections also agree with labour co-efficients¹⁴ observed in the state in different sectors of its economy.

47. According to projections, employment will be generated equivalent to 48 lakh person years during Eighth plan. The sectoral break up of these projections is given below :-

Sectors	Employment (In lakhs)	Shares in total (Percent)
1. Agricultural and animal husbandry	22	46
2. Manufacturing	8	17
3. Rest	18	37
	48	100

48. The shares of manufacturing and other sectors in the total employment to be generated in Eighth plan will, thus, be 54 per cent, sufficiently higher than their much lower shares of 30 per cent in the workforce in the past and a little less than 40 per cent in the incremental workforce. The share of agriculture and animal husbandry in this employment will be 46 per cent against its higher shares of about 70 per cent or more in the past and about 63 per cent in the incremental work-force. The distribution of the addition to the work-force will, thus be more balanced and in the desirable direction to achieve the objectives of equity and growth in long-term.

49. Similarly, the average annual increase in the incremental work-force will also be higher than what have been observed in the past. Since it is the gainful employment only which has been projected for Eighth plan, the like to like comparisons are not possible. However, against average annual increases of 1.20 lakhs workers in manufacturing sector and 3.80 lakhs in the rest sectors, the increases during Eighth plan will be 1.60 lakhs and 3.60 lakhs respectively in these sectors. A slightly lower growth in other sectors is attributed to the presence of some under-employment in this sector also in construction, trade &

14. Annexure-11.

commerce and private services. It may be mentioned here that since these projections are for full and gainful employment only, the addition to the work-force in agriculture & animal husbandry does not include addition of severely underemployed persons to the sector and is, therefore, bound to be less than before. However, as against an optimistic estimate of 8 lakhs only assumed to have been added to the work-force in this sector with reasonable incomes & output for the period from 1977-78 to 1987-88, the addition of 22 lakhs projected for this sector in Eighth plan is significantly high.

50. Before concluding, it may be confessed that these are only very broad projections and are based upon several assumptions. As earlier stated, these projections of employment do not include employment which will be generated in special employment programmes like Employment Guarantee Scheme nor they include those severely under-employed in the work-force added during the plan period. A growth in employment more than this is neither supported by the targetted growth in output nor it appears practicable to achieve the same on the basis of past trends.

Poverty

51. The problem of poverty has consistently figured in various plan exercises since the Fifth Five Year Plan. A number of studies have been carried out and considerable debates have taken place bringing out successive improvements both conceptually as well as empirically in respect of deciding determinants of the calorie needs of various categories of individuals, choosing suitable statistical method to determine 'cut-off' points and using appropriate price deflator for poverty line. However, it is the quantitative index of poverty, made available by the report of the taskforce on projections of Minimum Needs & effective consumption demand set up by the Planning Commission in 1979, that has been continually made use of in the plan exercises. It defined the poverty line as the mid-point of the monthly per capita expenditure class having a daily calorie intake of 2400 per person in rural areas and 2100 calories in urban areas.

52. In the more recent past, however, this definition has invited some criticism mainly on the ground that it takes into account the barest minimum only required for sheer sustenance of a human being and ignores altogether what would constitute the minimum living standard at a particular point of time. This includes a few more elements than mere minimum nutrition required for physical existence. The debate is, therefore, still on as to what should really constitute the 'poverty line' in the present context. An expert group headed by Dr. D.T. Lakadwala, the noted economist, has also been set up at the national level to go into these issues. Pending the recommendations of this group, the present definition of 'poverty line' continues.

53. The latest data of poverty as finalised and published by Planning Commission, Govt. of India is of 1983. According to this data, U.P. was one of those few states where incidence of poverty was very high. About 45.3% of state's population was below the poverty line, against a corresponding figure of 37.4% for the country, as a whole. The only states with still higher incidence

of poverty were Bihar (49.7%) and Madhya Pradesh (46.2%). The states of Punjab & Haryana stood on the other extreme with lowest incidence of 13.8% & 15.6% respectively.

54. The earlier figure of the same population for 1977-78 was 49.7% in U.P. and 48.5% for the country. There was, thus, a reduction in terms of percentages both in U.P. and in the country between 1977-78 and 1983. However, the reduction in the case of the country was much sharper, from 48.5% to 37.4% against a very modest reduction from 49.7% & 45.3% in this state. As a result of this modest reduction, the population below poverty line in absolute numbers, instead of going down, went up by 4.9% in this state, from 506 lakh (1977-78) to 531 lakhs (1983), against a substantial decline of 11.7% in the country, from 3068 lakhs (1977-78) to 2215 lakh (1983). An increase of 4.9% in this segment of state's population in the state against an overall increase of about 15% in its total population during the same period is very alarming.

55. With in this population (531 lakhs) below poverty line in the state, 440 lakhs were from rural areas and 91 lakhs from urban areas, comprising 47% and 42% respectively of their total population, yielding an overall percentage of 45.3. About five years before in 1977-78, the same percentages in rural and urban areas were 50¹³ and 49, with 49.7 as the combined percentage of the state.

56. This only brings out two things very clearly. One, there was an increase of 26 lakhs in the population below poverty line in 1983 over 1977-78. In other words, the development process during this period failed to achieve any reduction in the size of the population below poverty line. Two, the incidence of poverty in rural areas was much higher than urban areas and that in a period of five years, from 1977-78 to 1983, the gap between the two in this incidence, which was only marginal (1%) in 1977-78, became much more pronounced (5%) in 1983. These conclusions agree with observations made earlier also that growth in income and consumption expenditure in the more recent years remained biased heavily in favour of urban areas and the more affluent sections of the society.

57. These figures become far easier to comprehend when we look into some related data, more particularly the pattern of distribution of agricultural land which is the main asset and source of income of rural population. The marginal holdings of less than one hect. which were 126 lakhs in 1980-81, rose further to 136 lakhs in 1985-86, accounting for about 72% of the total operational holding (188 lakhs) of the state. On the basis of past trends, these are likely to increase further to 146 lakhs in 1990-91 and to 155 lakhs in 1995.

15. Population below poverty line in 1977-78 in lakh

Rural	422.8
Urban	83.2
Total	506.0

58. The average size of marginal holdings is also declining and has already come down to 0.36 ha. in 1985-86. The total areas of these holdings is 28% only of the total operated area. It is much too obvious that operational holdings of this size or even a little higher than this, are totally insufficient to sustain an average household of 5 to 6 persons and, by and large, they are apt to remain below poverty line until they supplement their income from some other source also. Similarly, agricultural labourers with low wages and without full day's work for a substantial part of the year also fall in the same category. Their number was also about 52 lakhs in 1981.

59. The average number of persons per household in rural areas being 5.39, the number of persons in households of marginal farmers alone would have been around 650 lakhs in 1983. In addition to these, there were 52 lakhs landless labourers in 1981 and going by past trend, this number might have declined only marginally in 1983. The bulk of 440 lakh persons who were below poverty line in rural areas in 1983 naturally must have come from these 700 lakh persons (650+50).

60. On the basis of the foregoing discussion of the problem of poverty in the more recent past, it becomes clear that a significant reduction in poverty is possible only when a higher over-all growth in the economy is achieved by enhancing the contributions from sectors/activities benefiting the rural areas and the poor amongst them and from regions lagging behind and having higher incidence on poverty and unemployment. The growth profile of Eighth Plan, the pattern, of growth and employment generation, the concern for a rapid development of backward regions in the state and the concept of integrated local area planning with its thrust on employment generation in rural areas are intended to achieve this purpose only. The underlying idea behind all these is to ensure that with suitable policy and institutional support a reasonable share in the gains of development, be it generation of income or employment or creation of assets or provision of amenities of life and other social services, should flow to those below the poverty line.

61. Based upon these directional changes in Eighth plan, some broad estimates of the reduction likely to take place in poverty during the plan have been worked out. These are tentative estimates based on certain assumption and may change in the event of definition of poverty or methodology for estimation of poverty or the estimates of poverty for the base year undergoing revisions at the national level.

62. After having discussed the historical background and conceptual framework, the section is devoted to bring out details of the poverty estimates for the Eighth plan, containing the magnitude of the problem in the base year and the extent to which 6% rate of growth targetted for the economy enables it reduce the incidence of poverty in the terminal year.

63. Before discussing these estimates, it may be pointed out that 'Approach' to the National Plan containing objectives, strategies and dimensions of growth relating to Eighth Five Year Plan (1990-95) also recognises 'poverty alleviation and equity' as the major objective of the plan and a balanced economic growth together with employment generation on large scale and in a dispersed manner as a means of achieving these objectives. Obviously, within these broad framework, the State has decided its poverty objectives and growth dimensions of its economy.

64. The lone source providing incidence of poverty is quinquennial surveys conducted by the National Sample Survey Organisation (NSSO). Latest NSS data on consumption were collected under 43rd round for 1988. On the basis of results thrown up by this, household consumption expenditure survey, poverty ratio (i.e. person below poverty line) have been estimated for the VIII Plan period on different assumptions which are discussed below.

65. As mentioned earlier, the task force on Minimum Needs & Effective Consumption Demand constituted by the Planning Commission (1979) defines the poverty line in terms of per capita daily calorie requirement of 2400 in the rural areas and 2100 in the urban areas which, at 1973-74 prices, corresponds to per capita monthly expenditure of Rs.49.09 & Rs.56.64 respectively. This concept of poverty line was used for the Sixth as well as Seventh Plan. The poverty line defined this way covers the expenditure on food and non-food items and ensures the adequacy of calorie consumption.

66. The updated poverty line, using the implied Central Statistics Organization's private consumption deflator as proxy for price rise in the consumption basket of the person below poverty line, for 1983-84 works out to Rs.101.80 per capita per month in rural areas and Rs.117.50 in urban areas. At 1987-88 prices, the cut-off points get adjusted at Rs.130.15 for rural areas and Rs.155.53 for urban areas. This means, that, on an average, a household with consumption expenditure of less than Rs.8387 per annum in rural areas and Rs.9164 per annum in urban areas will be considered to be below poverty line.

67. The Advisory Group of Estimation of percentage of persons below poverty line for the Seventh Plan recommended the same poverty line to be adopted for each state also. In the absence of any fresh direction for the Seventh Plan, relevant estimates of poverty could be built up for the Eighth Plan as well following the aforesaid recommendation. It may be mentioned here that some time back, the estimates of percentage population below poverty line in different states for the year 1987-88 were laid before the Rajya Sabha in reply to a question. But while laying this information, it was made clear that the estimates are 'tentative and are likely to get revised'. These estimates are, therefore not being relied upon for projections made in subsequent years. These projection have been made independently of the above estimates.

68. For the estimation of percentage of persons below the poverty line, the information collected through NSS in 43rd round (1988) has been utilized for preparing the estimates for 1989-90 i.e., terminal year of the VII Plan. The income growth rate was estimated about 5% per annum during the period 1985-90 and saving rate taken as 20%. The urban rural disparity ratio was taken as 1.30 as observed in 1987-88. The feasible growth rate for VIII Plan has been assumed as 6%, saving rate as 20% and reduction in urban-rural disparity ratio from 1.30 to 1.26 at the end of the Plan. The estimates of poverty ratio of persons below poverty line, emerging from the exercise are given below :-

Table.11

ESTIMATES OF POVERTY

(In percentage)

Particulars	At the end of	
	Seven Plan (1989-90)	Eighth Plan (1994-95)
(1)	(2)	(3)
Rural	44.08	31.92
Urban	37.90	26.24
State	42.67	30.44
GROWTH RATE OF SDP	4.9	6.0

Table-12

PERSONS BELOW POVERTY LINE

(In lakhs)

<u>Particulars</u>	<u>1989-90</u>	<u>1994-95</u>
(1)	(2)	(3)
Rural	455.04	347.13
Urban	115.44	102.82
State	570.46	449.95

69. At the stipulated growth rate of the economy, reduction in the percentage of people living below the poverty line by the terminal year (1994-95) of the Eighth Plan would be 12.23, bringing down the incidence of poverty to 30.44% in 1994-95 from 42.67% in 1989-90. However, more important is the reduction in the absolute number of poor. About 1.20 crore people would be brought above the poverty line by the end of the plan.

70. The rationale for the targetted reduction in the magnitude of poverty incidence is not difficult to comprehend. The reduction in poverty depends mainly on growth in employment opportunities. As explained earlier, gainful employment will be available for about 50 lakh persons during the plan. On an average, therefore,

1.5 persons per household would be provided gainful employment. On this reckoning, about 34 lakh households would get employment with reasonable incomes. Assuming that as a result of the orientation in programmes and policies in Eighth Plan, about 65% of these households would be those below the poverty line, 22 lakh households with a population of 120 lakhs (22x5.37) would have crossed the poverty line during the plan period.

71. The most disconcerting feature of our planned developmental effort has been its failure to noticeably increase employment and real incomes and improve the quality of life among the lowest income deciles of the population. It is this deterioration in the quality of life of the labouring poor, amidst the euphoria that growth and pockets of affluence generate, that reveals the real character of the development strategy being pursued. A character that assessments based on growth figures tend to conceal. Toeing on the line of this important clue, as also in the light of observation regarding the close association between unemployment and poverty the approach to the Eight Plan has accordingly been changed providing central thrust to the employment generation.

72. Besides the above welcome change, what is much more important is the operational side where identification of the real poor and more so of the poorest of the poor need urgent attention. In the light of bitter experiences of the past, a drastic reorientation is deemed essential in the contents of the poverty alleviation programmes, implementing procedure and its machinery. The need to select projects/programmes with utmost care cannot be overstated. Such programmes will have to be operated with a movement/tone, and in such a fashion, so that benefits of the same go only and only to the poorest of the poor. What is urgently needed is to bring a real impact on the income of the most unprivileged cross-section of the society which is living in utterly abject poverty, because those living just below the poverty line would, in all likelihood, be able to cross it in due course of time, as a result of multiplier effect of various development programmes, meant to raise the income of the poor.

73. Education is beyond doubt, an important prerequisite but the emphasis should be shifted from producing the unemployed with high educational degrees to those with middle level education and vocational training to help the diversification of economic activities and appreciable rise in the real income of the target groups.

74. The success of any developmental strategy whatsoever for accelerating the pace of economic growth or bringing a perceptible change in the real income and living standards of the people would nevertheless largely depend on the extent of the State's activity to check the unbridled rise in its population particularly in the population of poor.

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Working Force According To Different Census (In lakhs)

Working force Annual Growth in 1971-81 rate(percentge)	1971	1981	Increase	
(1)	(2)	(3)	(4)	
0. Total Workers	273.35	323.97	50.62	1.71
1. Cultivation	156.97	189.58	32.61	1.90
2. Agricultural Labourers	54.54	51.77	(-) 2.77	-
3. Plantation/ Forestry/ Fisheries/Live Stock Hunting	1.68	1.77	0.09	0.52
4. Mining and Quarrying	0.10	0.20	0.10	7.16
5. Manufacturing including House- hold industry	19.92	29.22	9.30	3.91
6. Construction	1.67	3.30	1.63	7.05
7. Trade & Commerce	11.11	14.69	3.58	2.83
8. Transport Storage & Communication	4.74	6.6	1.91	3.44
9. Other Services	22.62	26.79	4.17	1.71

Source : Population Scenario Uttar Pradesh Manpower Planning
Division, State Planning Institute, U.P., 1989
Appendix-10.

Growth in Organized Sector Employment

Year	March	Number of Workers (in lakh)		
		Total	Public	Private
(1)	(2)	(3)	(4)	
1.	1978	22.76	16.93	5.83
2.	1980	22.91	17.38	5.53
3.	1985	25.72	20.25	5.47
4.	1986	25.97	20.50	5.47
5.	1987	26.32	20.98	5.34
6.	1988	26.51	21.09	5.42

Source : Employment situation in U.P. Trends and perspectives, Manpower Planning Division, State Planning Institute, U.P. May 1989, Table-9, Page-25.

Employment in organized sector establishments

Code Annual No.	Industry	Number of persons (in lakh)		Compound growth rate during the decade 1978- 1988 (%)
		1978	1988	
(1)	(2)	(3)	(4)	(5)
0.	Agriculture Hunting, Forestry and Fishing	0.57	0.76	2.92
1.	Mining and Quarrying	0.05	0.08	4.82
2.&3.	Manufacturing	4.79	5.34	1.10
4.	Electricity, Gas & Water Supply	0.86	0.95	1.00
5.	Construction	1.48	1.69	1.35
6.	Whole sale and retail trades, Restaurant and Hotels	0.25	0.32	2.50
7.	Transport, Storage and Communication	3.22	3.47	0.75
8.&9.	Services	11.54	13.90	1.88
	Total	22.76	26.51	1.54

Source : Records of the Directorate of Training & Employment, U.P.

Number of Persons Usually employed in all by Industry
divisions in U.P. (N.S.S. data)

Code No.	Industry	Number of persons (in lakh)		Compound Annual growth rate during the decade 1977- 1987-88 (%)
		32nd round (1977-78)	43rd Round (1987-88)	
(1)	(2)	(3)	(4)	(5)
0.	Agriculture, Hunting, Forestry and Fishing	240	322	2.98
1.	Mining and Quarrying	-	-	-
2.&3.	Manufacturing	32	44	3.25
4.	Electricity, Gas & Water Supply	-	1	-
5.	Construction	6	11	6.25
6.	Wholesale and retail trades Restaurants and Hotels	20	31	4.50
7.	Transport, Storage and Communications	7	10	3.65
8.&9.	Services	24	42	5.75
	Total	329	461	3.44

Source : 1. 32nd Round-N.S.S report, No. 298/9 on employment and unemployment.
2. 43rd Round All India Special Report No.1 on employment and unemployment.

Investment, Workers & Total Employment in Registered
manufacturing sector in U.P. during 1976-86

Item	Units	1975-76	1980-81	1985-86
(1)	(2)	(3)	(4)	(5)
1. Investment	Crore Rs.	2537.51	4237.04	9045.33
2. Workers	Number	486713	607757	540399
3. Total Employment	Number	577478	772982	680069
4. Employment per lakh of Investment	Number	2.28	1.82	0.75

Source : Annual Survey of Industries

Employment in unorganised sector

Code No.	Industry	Number of persons (in lakh)		Compound Annual growth rate during the decade 1977- 1978 to 1987-88 (%)
		(1977-78)	(1987-88)	
(1)	(2)	(3)	(4)	(5)
0.	Agriculture, Hunting, Forestry and Fishing	239.43	321.24	2.98
1.	Mining and Quarrying	-	-	-
2.&3.	Manufacturing	27.21	38.66	3.56
4.	Electricity, Gas & Water Supply	-	0.05	-
5.	Construction	4.52	9.31	7.49
6.	Wholesale and retail trades, Restaurants and Hotels	19.75	30.68	4.50
7.	Transport, Storage and Communications	3.78	6.53	5.62
8.&9.	Services	12.46	28.10	8.43
	Total	306.24	434.49	3.56

Source : Unorganised sector employment is obtained by substrating organised sector employment from usually employed persons (N.S.S.data)

Educated Job seekers on Live Register by level of education.

Level of Education	Registrants as on December		
	1979 (30th, June)	1985	1988
(1)	(2)	(3)	(4)
1. High School	275986 (100.00)	516381 (187.10)	650152 (235.57)
2. Intermediate	326528 (100.00)	597131 (182.87)	756418 (231.65)
3. Graduate	166866 (100.00)	326202 (195.49)	371983 (222.92)
4. Post Graduate	27069 (100.00)	60569 (223.76)	76742 (283.51)

Source : Directorate of Training and Employment, U.P.

Working Force according to Census and N.S.S.

(Workers in lakhs)

Industry	Census				N.S.S.			
	1971	1981	Add- ition	Annual Addi- tion	1977 -78	1987 -88	Acc- ition	Annual Addit- ion
1	2	3	4	5	6	7	8	9
1. Agriculture and Allied.	213.29	243.32	30.03 (59.33)	3.00	240	322	82 (62.12)	8.20
2. Manufacturing	19.92	29.22	9.30 (18.37)	0.93	32	44	12 (9.09)	1.20
3. Rest	40.14	51.43	11.29 (22.30)	1.13	57	95	38 (28.79)	3.80
4. Total	273.35	323.97	50.62 (100.00)	5.06	329	461	132 (100.00)	13.20

Percentage shares of agricultural workers to the
incremental work-force during 1971-81

State	Percentage increase
1. Bihar	67.50
2. Madhya Pradesh	58.30
3. Uttar Pradesh	59.33
4. Andhra Pradesh	52.30
5. Orissa	51.90
6. Haryana	49.70
7. Punjab	36.40
8. Gujarat	22.90
All India	40.90

Percentage Increases in workers and income in 1987-88 over 1977-78

Sector	Increase in workers		Increase in income (at constant prices of 1970-71)	
	Total	Average annual	Total	Average Annual
(1)	(2)	(3)	(4)	(5)
1. Agriculture & allied areas	34.5	3.0	24.8	2.2
2. Manufacturing	41.1	3.5	138.4	9.1
3. Rest	62.5	5.2	71.6	5.6
Over All	40.1	3.4	51.6	4.3

**ESTIMATES OF LIKELY ADDITIONAL EMPLOYMENT GENERATION ON THE BASIS
OF LABOUR COEFFICIENTS OBSERVED IN THE PAST**

Sector	Eighth Plan		Ninth Plan	
	Employment (lakh no.)	Percentage	Employment (lakh no.)	Percentage
(1)	(2)	(3)	(4)	(5)
1. Agriculture & Allied	23.23	48.72	32.88	43.43
2. Mining & Quarrying	0.9152	1.92	1.46	1.93
3. Manufacturing :				
(a) Registered	0.70818	1.48	0.95766	1.26
(b) Unregistered	5.20608	10.92	12.19	16.10
4. Electricity, Gas & Water supply	0.9100	1.91	1.52	2.01
5. Construction	1.69600	3.56	2.7812	3.67
6. Transport	1.906	4.00	3.03	4.00
7. Trade	2.228	4.67	3.7016	4.89
8. Services	10.88308	22.82	17.19100	22.71
Total	47.68254	100.00	75.71146	100.00

Source : A study titled Computation of Labour Co-efficients for 64 sectors of I-O Table (1970-71)

CHAPTER-IV

BACKWARD REGIONS : A CASE FOR ACCELERATED DEVELOPMENT

An accentuation of dichotomy between rural and urban areas and of disparities between different parts of the country is cited in the Approach to the Eighth Five Year Plan as one of the grounds for serious concern at the emerging patterns of development. It is for this reason that the Approach calls for a shift in investment allocations and more direct measures to bring about a more even distribution of income across space and between classes. Growth in this context should be accompanied by a more widespread diffusion of benefits across regions and classes than has been achieved so far. In other words, the Eighth plan should aim at a more balanced regional development of the state by reducing the disparities in levels of development of different regions and different sections of the society. This chapter mainly describes the regional disparities in the state and underlines the need for initiating some more concrete and effective measures during Eighth plan to reduce these disparities.

SOME GENERAL OBSERVATIONS

2. Even though the performance of output growth was significant during the first decade of planning in India, it did not initiate a trend towards a balanced regional development. Not only were the vertical disparities accentuated, the horizontal balance too showed distinct signs of deterioration. Taking note of the serious implications of this disturbing feature of growth, the balanced regional development, as one of the dimensions of social justice, was also included amongst the objectives of Third Five Year Plan. The emphasis was laid on initiating some special measures to accelerate the pace of development of backward regions. In pursuance of this emphasis, the task of developing backward regions in Uttar Pradesh was also initiated and, in this context, regional approach to planning was considered most appropriate for accomplishing the said objective.

3. During the period of the Third Plan, the State of Uttar Pradesh was divided into five economic regions by grouping contiguous districts having similar cropping pattern, density of population, geo-physical conditions and agro-climatic factors. These are known as: (i) Western, (ii) Central, (iii) Eastern, (iv) Bundelkhand and (v) Hill regions. Of these, the latter three have been identified as backward regions, taking into account factors like low productivity, high/low density of population, type of terrain, inadequacy of infrastructure and recurrence of floods and droughts. The Eastern region comprises 19 districts, the Bundelkhand region five districts and the Hill region has 8 districts. Since the Third Plan onward, these three backward regions have been considered special problem areas. Besides allocating comparatively higher outlays, provision of concessional finance and subsidy to entrepreneurs for setting up industrial units in identified industrially backward districts was made to promote industrialization of these backward regions.

4. During the Fourth Plan, efforts were made for a gradual shift in the strategy of development from 'top down' to 'bottom-up', and industrialization of backward areas was taken up on priority basis, besides launching various programmes based on 'area development' and 'target group' approaches. A separate Hill Development department was established in the State in 1972-73 with a view to formulating a separate Sub-Plan for the development of Hill region and for reviewing and monitoring its progress on a regular basis. And since then, special central assistance has been made available annually for financing development programmes of the Hill region.

5. A new dimension of 'social justice' was added to our basic objective of 'economic development' during the Fifth Plan. The accelerated development of backward areas was conceived as a co-operative endeavour in which both Central and State Government had to play a pivotal role. Reliance was placed on 'Area Development' and 'Target Group' approaches for enhancing the benefits flowing to backward areas and to the disadvantaged sections of the society. The various programmes based on these approaches comprised industrialization of backward areas, Command Area Development (CAD), Drought Prone Area Programme (DPAP), Tribal Area Development (TAD), Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labourers (MFAL), District/Block Plans, etc.

6. The Sixth Plan also conceived of progressive reduction in regional inequalities as one of the basic objectives of planning. A separate Hill Division was created in the State Planning Institute in 1981 with the objective of providing technical input and scientific base for preparing plans for the Hill region and evaluating performance of various sectoral schemes launched in the region. Two corporations viz., Kumaon Mandal Vikas Nigam and Garhwal Mandal Vikas Nigam were also established for mobilising institutional finance and undertaking commercially viable projects. These corporations were expected to act as a catalyst for the development of these areas.

7. The State Government also took a dynamic step towards reduction of regional disparities by introducing in 1982-83 a new system of Decentralized Planning with the major objective of providing every district an opportunity to plan for its development, taking into consideration its potential of development and resources. For operationalisation of the decentralized planning process, approximately 30 per cent of the total state plan outlay was earmarked for the District sector schemes every year. The amount, thus arrived at was distributed among various districts of the State on the basis of a 'formula' which gave due weightage of 60% to population and 40% to levels of development of districts. While the population factor was neutral the other factors relating to levels of development were tilted in favour of districts lagging behind in development.

REGIONAL DISPARITIES

8. However, inspite of all these efforts, the regional disparities in levels of development, instead of reducing, have shown a tendency of divergence over the period both at all-India

level and in the State of Uttar Pradesh. At the national level, we find that the coefficient of variation across the states in respect of per capita income at current prices increased from 25.98 per cent in 1970-71 to 29.12 per cent during the year 1985-86. At constant prices of 1970-71, the all-India average per capita income in the same year was much higher (Rs.633) as compared to the State of Uttar Pradesh (Rs. 486), showing a gap of Rs. 147. The corresponding gap between the two widened still further to Rs. 200 in 1985-86 and, thus the development scenario of Uttar Pradesh over the period worsened in comparison to all-India level. This has taken place because, at constant prices of 1970-71, the all India average per capita income during the period 1970-86 went up by Rs. 165. Whereas the State of Uttar Pradesh registered an increase of Rs. 112 only. The situation is not too different if we go by figures of per capita income at current prices also. This has been explained in some greater detail in one of the earlier chapters.

INTRA-STATE DISPARITIES

9. It is further noticed that within the State of Uttar Pradesh, inter-regional disparities in levels of development have also widened considerably during the period of 1980-89. The 'Range' when used as a measure of regional disparities has, over the period (1980-88), increased not only in respect of development indicators of productive sectors of agriculture and industry but also in the fields of economic infrastructure and social services, the details of which are given in Appendix-1.

10. The backward regions, therefore call for special consideration and treatment in order to bring them up closer to more developed regions. While special central assistance is already being provided for the Hill region, the other two backward regions of the State (i.e. Eastern and Bundelkhand) are still deprived of any such assistance. These two regions are similar to Hill region in more than one respect and therefore they also require some special treatment for their accelerated development. Some of the significant features of backwardness of these regions have been discussed, in detail in the subsequent sections separately for Eastern and Bundelkhand. For those interested in having more information on this aspect, the data for individual districts of these two regions in respect of some selected indicators of development have been given in Appendix-2.

EASTERN REGION

11. The eastern region comprises 19 districts out of the total 63 districts in the State. According to 1981 Census, the total population of the region is 416.52 lakh and the total geographical area is 86.60 lakh ha. representing 38 per cent and 29 per cent of the State respectively. Comparing it with other regions of the State, the density of population in the region is highest (485 persons per square kilometre). The percentage of urban population to total population in the region works out to 10.69, which is the lowest among all the regions. The percentage of workers engaged in agriculture to total workers in the Eastern region, according to 1981 census, is the highest (79.08) amongst all the regions of the State and the average size of its holdings

the lowest i.e. 0.68 hectare against the state average of 0.93 hectare. It may be worthwhile in this connection to reproduce here the observations made in the Report of the Patel Committee about the size of holdings among the agricultural classes in this region.

"In these districts the agricultural income, which is low for each acre of the cultivated land, gets further reduced when shared by more persons. Not only the cultivated land is less per person or per family on an average but its distribution is very skewed, with the result that a very large number of families at the lower end would have much less income than indicated by the average income."

12. The number of small and marginal holdings accounts for 93 per cent of the total holdings in the region, as against 88 per cent in the State. The economic status of the families depending upon these holdings is abysmally poor. Owing to lack of surpluses and resources, these agricultural families are unable to augment their agricultural production and productivity, in any significant measure. In order to improve economic condition of rural population of this region, it might be necessary to initiate such programmes on a massive scale which can supplement income of the population of this region. This is a matter which deserves the highest priority.

13. A major factor adversely affecting the economy of this region is the recurrence of devastating floods. In its support we find that the area affected by floods in the region annually during the period 1984-89 was as high as 7.68 lakh ha. The recurrence of floods not only results in large scale damage to crops which the people of this region can hardly absorb on account of their poor incomes but also saps their initiative to take other steps for their improvement. The region is often affected by severe droughts also. The trans-Yamuna area of Allahabad district, some parts of Mirzapur district and Chakia Tehsil of Varanasi district face frequent problem of severe droughts with the result that the affected tract has been declared as a 'Drought Prone Area.' Consequently, the potential of agriculture development is further reduced. These natural calamities result in colossal losses not only to agriculture production but also to cattle and other property of the people of this region thereby seriously impairing their capacity to invest and to take risks in their traditional income generating activities.

14. However inspite of frequent recurrence of floods and droughts, there has been a significant progress in agriculture specially production of foodgrains since the beginning of the Sixth Five Year Plan. The intensity of cropping, which was 134 per cent in 1970-71, increased to 149 per cent in 1986-87. However, this is still far behind the western region (154 per cent). Similarly the consumption of chemical fertilizers per hectare of cropped area increased from 19.71 kg. in 1970-71 to 67.74 kg. during 1987-88. However, the western region is still far ahead of the Eastern region in this regard by 9 kgs.

15. This region also lags behind the State and the western region in respect of assured irrigation. The percentage of net irrigated area to net area sown in the region during 1986-87 was 55.26, as against 73.84 in western region and 57.19 in the State. The gap between the Western and Eastern region in respect of the percentage of net irrigated area to net area sown has been continuously increasing over the period. The region is also extremely backward so far as the area under commercial crops is concerned. The percentage of area under commercial crops to gross cropped area was 9.34 in 1986-87, whereas the corresponding percentages for the State and the Western region were much higher, i.e., 14.30 and 21.68 respectively.

16. However, as a result of increased consumption of agricultural inputs, the increase in production of foodgrains in the region during the period 1980-86 was the highest (34.59 per cent) among all the regions of the State. There was a significant improvement in productivity levels also. However, a part of these increases in this region can be explained by their low base as against higher base already reached in Western region.

17. The region has shown nominal increase in the area under sugarcane during the period 1980-85, as compared to 9.28 per cent increase in the whole of the State. There has been a satisfactory improvement in productivity of sugarcane during this period and the production of sugarcane has gone up but the available crushing capacity in this region falls much short of the sugarcane production in almost all the districts of the region except Gonda and Bahraich. The sugarcane growers are, therefore, deprived of full benefits of their sugarcane produce.

18. The Eastern region is extremely backward in respect of industrialisation also. The number registered factories per lakh of population in the region during 1985-86 was two only, which is the lowest among its counterparts except the Bundelkhand. Similarly, the number of persons engaged in registered factories per lakh of population during the same year was 231, which is again the lowest among the regions excepting Bundelkhand. The contribution of manufacturing sector to net output in the region during 1986-87 is 21.93 per cent as against the respective percentages of 32.68, 26.00 and 26.25 in Western and Central regions and the State. An interesting conclusion which emerges from this is that inspite of a remarkable achievement made in agriculture, the progress of industrialisation proceeded at a much slower speed. Looking at this kind of dichotomy, rural industrialisation in eastern U.P. requires remodelling with a view to ensuring gainful employment to unemployed and under-employed persons.

19. The progress made in developing economic infrastructure in the region since the beginning of the Sixth Plan appears to have been quite encouraging. The percentage of villages electrified to total inhabited villages increased from 31.62 in 1980-81 to 69.03 during 1989. However, the region is still far behind the western region where 80 per cent villages are electrified. The Eastern region is also behind in respect of per capita consumption of electricity also. The region is also deficient in respect of road

network. The length of pucca roads per lakh of population in the region during 1988 was 73.26 kms. Which is the lowest among all the regions of the State. The deficiency of roads is one of the major obstacles to the development of this region. The number of bank branches per lakh of population in the region during 1989 was also the lowest (6.27) among the regions of the State. These disparities in infrastructural facilities should be bridged as early as possible to achieve the objective of balanced regional development in the State.

20. The eastern region also shows disquieting picture in the field of social services. According to 1981 census, the literacy percentage in the region is the lowest (24.28 per cent) amongst all the regions. Besides, the region also experiences inadequacy of Allopathic hospitals/dispensaries. The number of Allopathic hospitals/dispensaries per lakh of population in the region during 1988 was 3 only. Above all, the low credit-deposit ratio (40) also explains a part of the underdevelopment of this region.

21. The region is also faced with serious problem of unemployment and under-employment. According to the available estimates, about one tenth of the labour force is suffering from this problem. The fact that a sizeable portion of the population from these districts, is regularly on the move to other parts of the country as also other countries is indicative of the seriousness of the problem. Migration takes place during the peak season of Kharif plantations of paddy and harvesting of wheat to Haryana, Punjab and Western U.P. This kind of seasonal migration helps only in meeting the basic necessities of the rural population but its contribution to capital formation in the region is minimal.

BUNDELKHAND

22. Bundelkhand region comprises five districts constituting one full administrative division of the State. The topography of the region is formed mainly by the Southern hills and part of the Central Indian plateau. The climate of the region is dry but hot in summer. The average annual rainfall ranges from 800 mm to 1000 mm. The soil of the region is mixed red and black. The region has low round hills, ravines and crags. The land of the region is mainly uneven and rocky. There are deep ravines of river Yamuna and Chambal, which render large chunks of land unfit for cultivation.

23. According to 1981 Census, the total population of the region is 54.29 lakh persons and the geographical area extends to 29.67 lakh ha., constituting 4.9 per cent and 10 per cent of the State's population and area respectively. The region is sparsely populated; the density of population per sq. km. of area in the region is 185 persons, as against the State average of 377. The percentage of urban population to total population in the region, according to 1981 Census, is 19.97, as against 23.71 per cent in the Western region. A notable demographic feature of the economy is that more than one fourth (25.3 per cent) of the population is represented by scheduled castes and scheduled tribes, as against the State average of 21.2 per cent. The percentage of total workers to total population in the region is

30.46, which is the highest among its counter parts, but next to Hills (36.19 per cent) only. The percentage of workers engaged in agriculture to total workers in the region is as high as 78.23 and compares fairly well with the eastern region (79.08). The percentage of agricultural labourers to total workers is higher (21.2 per cent) in this region than that of the state (16.3 per cent) as a whole.

24. The pressure of population on land in the region does not seem to be high as witnessed by the higher land-man ratio (0.55) and the average size of holdings (1.89 ha.). The size of holdings in the region is much larger than the state average but with much lower productivity. More than 16 per cent of the holdings are of 4 hectares and above, whereas the corresponding percentage for the state is 4.6 only. The net area sown per cultivator as well per capita (rural) in the region during 1986-87 was the highest (1.95 ha. and 0.43 ha. respectively) among all the regions of the state. In spite of these advantages, the region is extremely backward in respect of gross value of agricultural produce per ha. of net area sown which is the lowest (Rs. 4288) among all the regions of the State. The percentage increase in total production of foodgrains in the region over the period 1980-86 was the lowest (15.79) among the regions of the State excepting Hills. The average yield of foodgrains per ha. is also the lowest (10.39 quintals per ha.) against the State average of 14.61 quintals per ha.. The region is also far behind its counterparts so far as coverage of area under commercial crops is concerned. The percentage of area covered under commercial crops to gross cropped area in the region during 1986-87 was extremely low (4.84) as compared to 21.68 per cent in the Western region and 14.30 per cent in the State. There is still a vast potential for development of oilseeds and pulses in the region on account of low irrigation coverage and inadequate rainfall.

25. There are numerous factors responsible for agricultural backwardness of the region. Starting with the lowest intensity of cropping (114.19 per cent), we find that the consumption of fertilizer per ha. of cropped area in the region during 1987-88 was the lowest (17.10 Kg.) against those of 76.91 Kg., 67.74 kg. and 63.17 kg. in Western and Eastern region and the State respectively. It is mainly due to low level of irrigation coverage. The percentage of net irrigated area to net area sown in the region during 1986-87 was the lowest (23.30 per cent) against the highest (73.84 per cent) in the Western region and 57.19 per cent in the state.

26. The pace and process of industrialisation of the region presents a dismal picture. The number of registered factories per lakh of population in the region during 1985-86 was hardly one, as compared to 11 in the Western region, 6 in the central region and 5 in the hills. The number of workers engaged in registered industrial establishments per lakh of population in the region during the same year was the lowest (214) as against the highest (697) in the Western region and the state average of 557. As a result of these, the value added per industrial worker at current prices during 1985-86 was the lowest (Rs.15.26 thousand) among all the regions of the state excepting the hills.

27. The region is deficient in respect of economic infrastructure also. The length of pucca road per 100 sq.km. of area in the region during 1987-88 was the lowest (20.57 km.) against the state average of 33.44 km. The corresponding percentages for western and eastern regions are significantly higher, 40.55 km. and 35.14 km. respectively. In regard to rural electrification, the percentages of villages electrified to total inhabited villages till March 1989 was extremely low (56.91) as compared to 79.63 per cent in the western region and the state average of 69.81 per cent. The per capita consumption of electricity in this region during 1986-87 was also the lowest (56.18 kwh) among all the regions of the state. Inadequacies of these two infrastructural components seem to have had an adverse impact on intensification and expansion of economic activities in the region. The persistence of slow process of economic activities is also witnessed by the relatively low credit deposit ratio (38 per cent) against those of 47 per cent for the state and 51 per cent for the western region.

28. The economic backwardness of the region is also reflected in the intensity of unemployment and under-employment in the area. An idea about the magnitude of unemployment and under-employment can be had from the estimates worked out by the State Planning Institute of persons chronically unemployed and of those inadequately employed and seeking work by using the data of 1981 census and that of the N.S.S. It has been estimated that in Bundelkhand region (during March 1981) (i) persons chronically unemployed and (ii) persons inadequately employed and seeking work were 0.22 lakh and 1.46 lakh respectively, making a total of 1.68 lakh, constituting 6.2 per cent of the population belonging to the age group 15-59 years, which is much higher than the state average of 4.9 per cent.

29. This region is, thus, faced with special problems, which have a direct bearing on the development scenario of the region. The special problems of the region are low agricultural productivity, paucity of roads, poor accessibility to rural areas, acute shortage of drinking water in large tracts, existence of a vast area under culturable wastes, poor irrigation facilities and extremely low pace and slow process of industrialisation.

30. In spite of comparatively larger holdings owned by farmers of this region, agricultural productivity is the lowest among all the regions. Topography being plateau and rocky, makes the land less moisture retaining and unsuitable for intensive cultivation. The soil is, by and large, rocky and possesses less soil cover, resulting in low productivity. Besides, the region is having a wide spread problem of deep ravines, which makes the area unsuitable for cultivation and large tracts of land, thus, get eroded and are totally unsuitable for agriculture. The use of ground water resources in the region is restricted to a large extent because of typical topography consisting of a rocky hills, undulating terrain, uneven plateau and absence of appropriate soil-cover. Because of very difficult terrain and rocky strata, construction of irrigation works is difficult and very costly with the result that irrigation facilities are quite inadequate.

31. All the districts of the region have been declared drought prone. The percentage of total kharif sown area affected by drought in the region during 1988-89 was the highest (70.96) among all the regions. In this context, it is vital to point out that this region is chronically deficient in drinking water facilities. A large number of villages of the region suffer from acute scarcity of drinking water. Drought is a recurring feature in this region causing heavy losses to agricultural economy. The recurring drought not only causes heavy damage to agriculture sector but also involves great financial burden to the state exchequer in the form of relief measures.

Conclusion

Conclusion

PROVISIONS FOR ACCELERATED DEVELOPMENT

32. Having had some idea of the extent and reasons of backwardness of these two regions in the state, the following few questions arise for considerations:-

(i) Whether apart from the commitment to the objectives of social justice and balanced regional development, it is possible for the state as a whole, to raise significantly its level of over-all development, without achieving legitimate shares in state's development of these two backward regions comprising 43 per cent of its population and 39 per cent of its area.

(ii) Whether it is also possible to achieve any significant reduction in poverty and unemployment in the state, unless the two backward regions are enabled to achieve much sharper decline in these and, lastly;

(iii) Whether any departure from the past and a shift in investment, allocations, policies and strategies is also required to achieve the purpose of faster development of these regions.

33. It should be appreciated that these regions cannot be termed as small pockets' of backwardness. They comprise a very large chunk of the state, both in terms of population and area. The shares of these two backward regions in population and area of the plains of the state are 44.4 per cent and 47.6 per cent respectively. Now, if a large area of this size in the state is agriculturally and industrially backward for reasons, which are not beyond human control, and continuing to remain so, the development and progress in the state as a whole, is bound to be slow and sluggish. A higher contribution, should, therefore, necessarily come from these two backward regions. And the greater this contribution in future, the higher will be the over-all growth of the state. It is, therefore, a matter of compulsion of a higher growth in the state both for medium term and long term, that these two backward regions receive special attention in the Eighth plan and are enabled to achieve higher output and growth.

34. There are several reasons for concentration of poverty and unemployment in these two regions. The pressure on land preponderance of marginal holdings, inadequate expansion of

commercial crops, recurring floods and water logging and almost insignificant growth of industries have not allowed income levels of the people of this region to rise as much as desired and are the principal factors which have contributed to the high incidence of poverty and unemployment in Eastern region. The main factors for a similar high incidence in Bundelkhand are low productivity of agriculture on account of inadequate irrigation facilities, recurring droughts, absence of commercial crops and poor industrialization.

35. Although, the data on poverty is available only for the state as a whole, and not for different regions, the data on unemployment gives a broad indication of poverty also. In one of the surveys in the past, as already mentioned in an earlier chapter of unemployment, it was found that the share of Eastern region in the wholly unemployed persons of the state was 43.13 per cent against its much lower share of 36.57 per cent in state's population. Similarly, this share in the case of Bundelkhand was also 5.67 per cent against its share of 4.90 per cent only in state's population. Now, until efforts are made to generate opportunities of gainful employment in these regions in the mainstream of development on a massive scale, the situation with regard to incidence of poverty and unemployment in the state, as a whole, will not materially alter.

36. It is unfortunate that even though the need for a faster growth and development of these backward regions is so obvious and has been recognized since long it did not get reflected in any appreciable measure in investment allocations and policies and strategies in the past. There is, therefore, an urgent need for a shift and some more tangible measures in these matters in the Eighth plan.

37. The weightage given to backwardness in flows of resources in these regions through the mechanism of decentralized district planning has proved too weak and a mild measure to correct regional imbalance and to reduce disparities in levels of development. The reasons which account for the imbalance and disparities are far too great and wide than what district plans alone can take care of. The combined and well-orchestrated efforts of the total plan for this specific purpose alone can remedy this situation, and that too in a long time frame.

38. This can be possible only when projects and programmes are formulated for these regions with a specific objective of removing the barriers to their growth and development on the one hand, and providing necessary impulses and stimuli for a steady and sustained growth, on the other. The projects and programmes, thus conceived and formulated, may not be confined to the boundaries of a district. These may cut across these boundaries and may involve more than one sector and department. It is only through these comprehensive and wide ranging projects that the purpose we have in view can be served.

39. Implementation of the aforesaid programmes/schemes, would require a sizeable amount of outlays. Hence, the Central Government is invariably needed to come forward in a big way to provide special financial assistance for triggering off the

process of accelerated development in these regions. However to begin with, an outlay of Rs. 200 Crs.- Rs. 160 Crs. for Eastern Region and Rs. 40 Crs. to Bundelkhand Region-is proposed to be provided for this purpose during the Eighth plan.

40. The State Planning Institute, through its Area Planning Division will play the pivotal role in this field and will coordinate and monitor the progress of such projects and programmes.

APPENDIX-I.

Extent of inter-regional variations in development of U.P.

over the period

Development indicators	1980 - 81			1987 - 88		
	Maximum	Minimum	Range	Maximum	Minimum	Range
1	2	3	4	5	6	7
1. Percentage of Urban population to total population	18.20\$ (Western)	8.30\$ (Eastern)	9.9	23.71* (Western)	10.69* (Eastern)	13.02
2. Intensity of cropping (percentage)	161.01 (Hill)	112 (Bundelkhand)	49.01	166.98 (Hill)	114.19 (Bundelkhand)	52.79
3. Percentage of area Under Commercial Crops to gross cropped area	15.64 (Western)	3.19 (Bundelkhand)	12.45	21.68 (Western)	4.84 (Bundelkhand)	16.84
4. Per Ha. consumption of fertilizer (Kg.)	58.54 (Western)	13.44 (Bundelkhand)	45.1	76.91 (Western)	17.1 (Bundelkhand)	59.81
5. Percentage of net irrigated area to net area sown	72.26 (Western)	27.47 (Bundelkhand)	44.79	73.84 (Western)	23.3 (Bundelkhand)	50.54
6. Gross value of agricultural produce per Ha. of net area sown at current prices (Rs.)	6274 (Eastern)	2430 (Bundelkhand)	3844	9465 (Hill)	4288 (Bundelkhand)	5177
7. Percentage contribution of manufacturing sector to total net out put at current prices	20.03 (Western)	6.32 (Hill)	15.71	32.68 (Western)	10.85 (Hill)	21.83
8. Length of pucca roads per 100 Sq. Km. of area (Km.)	21.1 (Hill)	13.7 (Bundelkhand)	7.4	40.55 (Western)	20.57 (Bundelkhand)	19.98
9. Per capita consumption of electricity (KWH)	90 (Western)	30 (Bundelkhand)	60	151 (Hill)	56 (Bundelkhand)	95
10.No. of banks per lakh of population	6 (Hill)	3 (Bundelkhand)	3	13 (Hill)	6 (Eastern)	7
11.No. of Allopathic Hospitals/ Dispensaries per lakh of population	11.92 (Hill)	2.24 (Eastern)	9.68	14.83 (Hill)	2.95 (Western)	11.88
12.Literacy percentage	31.02\$ (Hill)	19.40\$ (Eastern)	11.62	39.24* (Hill)	24.61* (Eastern)	14.63

\$ Figures relate to 1971 Census.

* Figures relate to 1981 Census

Source : District-wise Indicators of Development, Area Planning Division, State Planning Institute, U.P.

APPENDIX-II

REGIONWISE INDICATOR OF DEVELOPMENT

District/ region	Percentage of Urban Population to total population (1981)	Density of population per Sq. Km. of Area (1981)	Per capita net domestic out put at current prices (1986-87) (in Rs.)
1	2	3	4
1. Allahabad	20.37	523	1194
2. Azamgarh	9.20	617	959
3. Bahraich	7.05	322	649
4. Ballia	9.09	610	723
5. Basti	4.80	495	588
6. Deoria	6.63	642	844
7. Faizabad	10.96	528	798
8. Ghazipur	7.93	576	997
9. Gonda	7.32	386	552
10. Gorakhpur	10.59	605	804
11. Jaunpur	6.67	627	685
12. Mirzapur	13.13	180	1638
13. Pratapgarh	5.05	485	775
14. Sultanpur	3.30	461	941
15. Varanasi	26.88	727	989
Eastern Region	10.69	485	875
1. Banda	11.80	201	1296
2. Hamirpur	16.61	167	1471
3. Jalaun	19.92	216	1097
4. Jhansi	37.94	226	1559
5. Lalitpur	13.33	115	1003
Bundelkhand Region	19.97	185	1322
Western Region	23.71	479	1358
Central Region	21.16	428	1011
Hill Region	18.30	95	1366
Uttar Pradesh	17.95	377	1114

APPENDIX-II(Contd.)

REGIONWISE INDICATOR OF DEVELOPMENT

District/ region	Average size of holdings Ha. (1985-86)	Average size of marginal holdings Ha. (1985-86)	Percentage of small and marginal holdings to total holdings (1985-86)
1	5	6	7
1. Allahabad	0.82	0.34	90.82
2. Azamgarh	0.59	0.3	94.05
3. Bahraich	0.87	0.4	90.50
4. Ballia	0.78	0.31	90.78
5. Basti	0.66	0.32	88.26
6. Deoria	0.60	0.33	94.56
7. Faizabad	0.58	0.32	94.88
8. Ghazipur	0.79	0.34	90.96
9. Gonda	0.74	0.36	92.02
10. Gorakhpur	0.66	0.33	93.56
11. Jaunpur	0.47	0.27	96.19
12. Mirzapur	1.37	0.36	82.63
13. Pratapgarh	0.53	0.33	95.66
14. Sultanpur	0.59	0.33	94.86
15. Varanasi	0.53	0.28	95.08
Eastern Region	0.68	0.32	92.6
1. Banda	1.69	0.46	76.01
2. Hamirpur	2.09	0.49	68.24
3. Jalaun	1.82	0.46	71.74
4. Jhansi	1.79	0.49	71.74
5. Lalitpur	2.34	0.49	62.11
Bundelkhand Region	1.89	0.48	71.13
Western Region	1.13	0.40	83.83
Central Region	0.90	0.41	89.18
Hill Region	0.95	0.35	87.68
Uttar Pradesh	0.93	0.37	88.02

APPENDIX-II(Contd.)

REGIONWISE INDICATOR OF DEVELOPMENT

District/ region	Percentage of area under marginal and small holdings to total holdings (1985-86)	Cropping intensity (1986-87)	Percentage of area under commercial crops to gross cropped area (1986-87)
1	8	9	10
1. Allahabad	53.90	142.15	8.09
2. Azamgarh	66.31	153.36	9.45
3. Bahraich	60.46	145.99	6.46
4. Ballia	53.10	152.18	9.47
5. Basti	63.01	146.12	7.56
6. Deoria	68.59	148.99	16.38
7. Faizabad	71.30	161.75	10.94
8. Ghazipur	56.49	146.24	9.86
9. Gonda	62.13	156.60	8.39
10. Gorakhpur	65.19	148.13	8.60
11. Jaunpur	74.17	152.76	11.64
12. Mirzapur	36.90	135.16	8.48
13. Pratapgarh	74.50	148.11	7.02
14. Sultanpur	71.46	147.60	10.08
15. Varanasi	65.76	145.45	8.89
Eastern Region	61.99	148.56	9.34
1. Banda	31.27	120.39	2.73
2. Hamirpur	28.31	110.98	6.35
3. Jalaun	30.18	105.57	5.25
4. Jhansi	33.91	111.88	5.63
5. Lalitpur	25.76	126.37	4.97
Bundelkhand Region	30.00	114.19	4.84
Western Region	46.34	154.09	21.68
Central Region	58.17	140.90	13.83
Hill Region	49.92	166.98	9.44
Uttar Pradesh	51.61	146.23	14.30

APPENDIX-11(Contd.)**REGIONWISE INDICATOR OF DEVELOPMENT**

District/ region	Per tractor gross cropped area (in Ha.) (1986-87)	Per hectare consumption of fertilizer (in Kg.) (1987-88)	Percentage of reporting area affected by floods as on 12-10-89
1	11	12	13
1. Allahabad	188.09	65.30	-
2. Azamgarh	228.41	70.29	0.72
3. Bahraich	397.00	37.38	29.56
4. Ballia	328.51	73.84	1.79
5. Basti	320.07	60.04	28.02
6. Deoria	132.72	109.29	9.94
7. Faisabad	96.66	91.41	1.01
8. Ghazipur	131.87	77.47	-
9. Gonda	313.83	34.55	9.51
10. Gorakhpur	130.86	79.97	29.41
11. Jaunpur	140.79	100.29	-
12. Mirzapur	135.49	34.91	-
13. Pratapgarh	235.17	62.67	-
14. Sultanpur	176.28	55.16	-
15. Varanasi	101.42	90.01	-
Eastern Region	170.17	67.74	8.53
1. Banda	510.09	11.02	-
2. Hamirpur	119.14	12.52	-
3. Jalaun	46.61	17.29	-
4. Jhansi	96.89	20.39	-
5. Lalitpur	232.79	35.93	-
Bundelkhand Region	115.63	17.10	-
Western Region	74.03	76.91	1.80
Central Region	162.16	52.03	2.53
Hill Region	95.59	43.99	Neg.
Uttar Pradesh	108.67	63.17	3.36

APPENDIX-II(Contd.)

REGIONWISE INDICATOR OF DEVELOPMENT

District/ region	Average yield of food grains Qtls/Hect. (1987-88)	Gross value of Agricultural produce per hect. of net area sown at current prices in Rs. (1986-87)	Percentage of balance underground water to total safe yield (31-12-87)
1	14	15	16
1. Allahabad	12.64	7586	64.08
2. Azamgarh	15.03	8573	66.36
3. Bahraich	9.31	3741	78.53
4. Ballia	13.56	8013	71.12
5. Basti	13.23	5778	73.22
6. Deoria	16.99	8931	72.16
7. Faizabad	15.91	8627	63.06
8. Ghazipur	14.03	8382	62.76
9. Gonda	12.07	5000	69.26
10. Gorakhpur	17.02	7503	77.50
11. Jaunpur	14.63	7910	58.79
12. Mirzapur	9.51	5371	90.74
13. Pratapgarh	14.29	7748	75.49
14. Sultanpur	13.35	8060	77.78
15. Varanasi	15.45	7574	65.45
Eastern Region	13.69	7049	71.82
1. Banda	10.61	4639	85.14
2. Hamirpur	9.86	3984	82.73
3. Jalaun	11.33	4559	92.15
4. Jhansi	9.80	4180	65.72
5. Lalitpur	10.49	3796	62.78
Bundelkhand Region	10.39	4288	79.45
Western Region	17.85	8742	61.91
Central Region	13.81	6922	79.48
Hill Region	12.64	9465	78.87
Uttar Pradesh	14.61	7424	70.22

APPENDIX-II(Contd.)

REGIONWISE INDICATOR OF DEVELOPMENT

District/ region	Percentage of net irrigated area to total net sown area (1986-87)	Number of registered industrial units per lakh of population (1985-86)	No. of persons in registered industrial establish- ments per lakh of population (1985-86)
1	17	18	19
1. Allahabad	50.79	5	659
2. Azamgarh	71.00	1	124
3. Bahraich	19.46	1	41
4. Ballia	56.11	-	22
5. Basti	64.45	1	82
6. Deoria	54.95	1	204
7. Faizabad	71.59	2	165
8. Ghazipur	66.93	1	40
9. Gonda	42.59	1	92
10. Gorakhpur	60.94	3	400
11. Jaunpur	72.15	1	29
12. Mirzapur	33.17	2	641
13. Pratapgarh	62.34	-	71
14. Sultanpur	50.11	-	41
15. Varanasi	72.55	6	441
Eastern Region	55.26	2	231
1. Banda	17.63	0.33	60
2. Hamirpur	17.44	0.25	15
3. Jalaun	23.21	0.2	4
4. Jhansi	28.67	3.43	905
5. Lalitpur	47.85	0.52	9
Bundelkhand Region	23.30	0.96	214
Western Region	73.84	11	697
Central Region	53.59	6	632
Hill Region	32.82	5	476
Uttar Pradesh	57.19	6	557

APPENDIX-II(Contd.)

REGIONWISE INDICATOR OF DEVELOPMENT

District/ region	Value added per industrial worker (in Rs.'000') (1985-86)	Percentage of manufac- turing sector to total net output at current prices (1986-87)	Per capita consumption of electri- city in KWH (1986-87)
1	20	21	22
1. Allahabad	66.9	40.40	166.16
2. Azamgarh	7.40	17.45	70.51
3. Bahraich	19.14	4.64	20.83
4. Ballia	2.85	10.25	45.23
5. Basti	13.8	12.43	26.85
6. Deoria	27.48	12.57	35.15
7. Faizabad	10.37	13.94	75.65
8. Ghazipur	13.28	10.48	87.51
9. Gonda	24.10	9.08	29.36
10. Gorakhpur	16.16	15.92	114.61
11. Jaunpur	4.55	9.04	56.61
12. Mirzapur	352.96	37.39	1133.38
13. Pratapgarh	(-)18.07	8.62	23.06
14. Sultanpur	(-)65.73	10.12	48.03
15. Varanasi	29.07	49.95	144.35
Eastern Region	75.33	21.93	127.5
1. Banda	1.30	6.49	46.07
2. Hamirpur	13.87	11.56	34.69
3. Jalaun	6.90	2.35	51.42
4. Jhansi	44.2	39.38	109.35
5. Lalitpur	9.09	5.39	28.78
Bundelkhand Region	39.78	15.26	56.18
Western Region	40.80	32.68	147.11
Central Region	24.28	26.00	119.76
Hill Region	17.04	10.85	151.11
Uttar Pradesh	41.84	26.25	130.63

APPENDIX-II(Contd.)

REGIONWISE INDICATOR OF DEVELOPMENT

District/ region	Percentage of electri- fied village to total inhabited villages (March,1989)	Consumption of electri- city (kws) per hectare of: net area sown (1986-87)	Literacy percentage (1981)
1	23	24	25
1. Allahabad	82.02	329.59	27.99
2. Azamgarh	87.10	438.87	35.10
3. Bahraich	65.41	78.38	15.57
4. Ballia	83.61	260.68	28.18
5. Basti	42.62	84.69	20.24
6. Deoria	61.23	108.64	23.20
7. Faizabad	77.01	384.07	25.61
8. Ghazipur	100.00	609.81	27.62
9. Gonda	53.40	79.48	16.32
10. Gorakhpur	61.40	111.89	23.92
11. Jaunpur	88.20	388.17	26.30
12. Mirzapur	38.71	200.83	23.58
13. Pratapgarh	67.03	140.11	23.81
14. Sultanpur	93.20	258.91	22.44
15. Varanasi	69.00	718.39	31.85
Eastern Region	69.03	253.77	24.28
1. Banda	58.9	93.37	23.30
2. Hamirpur	54.41	62.06	26.31
3. Jalaun	62.72	113.36	35.95
4. Jhansi	63.41	55.22	37.06
5. Lalitpur	43.82	16.18	21.34
Bundelkhand Region	56.91	74.88	28.69
Western Region	79.63	469.70	28.19
Central Region	61.27	150.47	27.72
Hill Region	66.68	127.74	39.29
Uttar Pradesh	69.81	287.84	27.16

APPENDIX-II(Contd.)

REGIONWISE INDICATOR OF DEVELOPMENT

District/ region	No. of Allopathic Hospitals/ Dispensaries per lakh of population as on 1-1-88	No. of Cold storages per '000' Sq.Km. of area (1987-88)	No. of Agriculture marketing centre per lakh hect. of net area sown (1986-87)	Cred depos rat (1989
1	26	27	28	
1. Allahabad	3.71	4.08	1.05	
2. Azamgarh	2.93	1.57	0.70	
3. Bahraich	2.66	0.87	2.01	
4. Ballia	3.75	4.72	1.72	
5. Basti	3.49	0.82	1.23	
6. Deoria	2.29	2.05	0.70	
7. Faizabad	2.64	5.91	1.03	
8. Ghazipur	3.34	5.11	1.93	
9. Gonda	2.40	1.09	1.46	
10. Gorakhpur	2.32	2.29	2.02	
11. Jaunpur	2.61	4.76	1.37	
12. Mirzapur	3.92	0.75	1.28	
13. Pratapgarh	3.77	1.38	0.45	
14. Sultanpur	3.28	1.14	0.69	
15. Varanasi	3.94	4.86	0.93	
Eastern Region	3.10	2.38	1.26	
1. Banda	4.82	-	0.98	
2. Hamirpur	3.52	0.14	2.16	
3. Jalaun	4.06	0.22	2.03	
4. Jhansi	5.07	0.60	1.96	
5. Lalitpur	5.54	-	1.15	
Bundelkhand Region	4.51	0.17	1.68	
Western Region	2.95	5.42	2.00	
Central Region	3.39	2.20	1.59	
Hill Region	14.83	0.09	3.20	
Uttar Pradesh	3.68	2.55	1.70	

APPENDIX-II(Concl'd.)

REGIONWISE INDICATOR OF DEVELOPMENT

District/ region	Number of Bank Branches per lakh of population (March,1989)	Length of pucca roads per 100 Sq. Km. of area (in Km.) (1-4-88)	Length of pucca roads per lakh of population (in Km.) (1-4-88)
1	30	31	32
1. Allahabad	6.87	36.91	70.59
2. Azamgarh	6.04	44.31	71.64
3. Bahraich	6.18	21.84	67.78
4. Ballia	7.25	61.68	101.14
5. Basti	5.14	29.48	59.56
6. Deoria	4.95	43.99	68.49
7. Faizabad	6.05	34.29	64.95
8. Ghazipur	6.99	45.31	78.67
9. Gonda	5.61	24.47	63.46
10. Gorakhpur	6.09	35.23	58.22
11. Jaunpur	6.51	52.58	83.82
12. Mirzapur	7.11	18.48	102.51
13. Pratapgarh	6.22	37.45	77.29
14. Sultanpur	6.61	38.01	82.53
15. Varanasi	7.40	57.27	78.79
Eastern Region	6.27	35.14	73.26
1. Banda	7.69	19.69	97.85
2. Hamirpur	7.20	15.94	95.65
3. Jalaun	8.72	25.57	118.36
4. Jhansi	8.09	23.65	106.24
5. Lalitpur	7.61	20.87	181.84
Bundelkhand Region	7.72	20.57	111.42
Western Region	7.26	40.55	84.69
Central Region	7.55	31.57	73.01
Hill Region	12.53	26.13	276.28
Uttar Pradesh	7.19	30.44	88

CHAPTER-V

OBJECTIVES, OVER-ALL STRATEGIES AND SOME SELECTED TARGETS

The goals and objectives of a State's plan are derived from two main sources. These are the "Approach" approved for the national plan on the basis of consensus reached in the National Development Council and the State's own perceptions of its needs, priorities and compulsions together with those directions in which it wishes to its economy to proceed. However, there is no conflict between the two, for the goals and objectives, as laid down in the 'Approach to the National plan', represent a broad agreement amongst States on what they consider to be relevant not only for the country, as a whole but also for them individually. Therefore, once these objectives are agreed upon as the national level, all that the states have to do is to spell out in more specific terms their own objectives and targets within the framework of these national objectives.

2. The "Approach" to the Eighth national plan states that the "basic objective is to ensure that the needs of ordinary people and the quality of their life become the central focus of planning even as the plan seeks to promote rapid overall development and diversification of the economy and to strengthen the infrastructural base". It is in this context that employment has been described as the "central thrust of the plan" and "growth is viewed as a means to the provision of reasonable minimum living standard and essential social amenities to everyone as quickly as possible". While these are the broad parameters of the national objective, a higher growth and a more rapid diversification in agriculture than before together with reduction in pressure of population on agriculture to be achieved mainly by creating employment opportunities on a large scale in non-agricultural activities in rural areas to absorb a part of the work force engaged in agriculture is the prime need of this state.

3. Everything else, and if not everything a major part of it should be subservient to the achievement of this main objective. The development of infrastructure, village and small scale industries, social development, population control and several other things are relevant to a large extent in so far as they facilitate the achievement of this objective. The quantum and pattern of growth for a poor and backward state like U.P. is always of great significance. A host of things like increase in private consumption, revenues, public expenditure, saving and capital formation become possible only when there is a higher growth. And, it is this higher growth only which provides better scope for redistribution also.

4. Growth depends on a number of variables, all of which are not subject to human control also. Whether induced fluctuations in agriculture production in particular, are one such factor over

which there is little human control. Leaving this factor aside, the most important variables on which growth depends are as follows :

- 4.1 Levels of physical achievements in income generating sectors. The higher the levels at the end of the plan compared to the levels of the base year, the higher will be the quantum of growth.
- 4.2 Quantum of investment, its deployment and efficiency. The more the investment and the larger its deployment for achieving higher levels of production, the higher will be the quantum of growth. The relationship between investment and growth in income is an index of efficiency of investment and is expressed in terms of ICOR; and
- 4.3 Development and efficiency of human resources.

5. Keeping these parameters in view and the more encouraging and steady growth during the last three five year plans (1974-75 to 1989-90), exercises were carried out to find out the levels which can be reached at the end of Eighth plan (1994-95) in income generating sectors with maximum efforts and resources the State can mobilize. Based upon these exercises, the following conclusions have been reached :-

5.1 The target of average annual growth rate for State's Eighth Plan should be 6 per cent, against a growth rate of 4.9 per cent only in Seventh Plan, 5.5 per cent in Sixth Plan and 5.7 per cent in Fifth Plan. A growth rate higher than 6 per cent is not feasible, for it will require such levels to be reached at the end of the plan as cannot be achieved and an investment which the state cannot mobilize.

5.2 For achieving this over-all growth rate of 6 per cent per annum, the targeted sectoral growth rates are 4.2 per cent in agriculture and animal husbandry, 12 per cent in manufacturing and 6 per cent in the remaining sectors. The corresponding growth rates of Seventh Plan are 3.2 per cent in agriculture and animal husbandry, 8.4 per cent in manufacturing and 6 per cent in the remaining sectors.

5.3 The aggregate investment (at 1989-90 prices) required for realizing these growth rates and for creating public facilities to meet minimum basic needs of the people is Rs.60,000 crores, out of which the share of public sector outlay will be Rs. 25000 crore and the balance Rs. 35000 crore will be contributed from other sources including institutional finance.

6. While the quantum of growth in income is, undoubtedly of great significance for the economy, as a whole, the other aspect of redistribution of income is equally important. Just as the quantum of growth in income depends largely on the levels

achieved in agriculture and industrial production, removal or reduction in poverty and unemployment/under-employment also depends on redistribution of income and on ensuring a larger share for poor in all other gains made in the plan.

7. The following main objectives of State's Eighth plan are designed only to achieve the goals of growth and equity, in due course :-

7.1 Higher average annual growth rate of 6 per cent in for the State against the targeted growth rate of 5.5 per cent only for the country.

7.2 Significant reduction in population below poverty line by the end of the plan, reducing the percentage population below poverty line from 45.3% in 1984 to 30-32% in 1994-95.

7.3 Creating new jobs for about 50 lakh persons and a significant reduction in severely under-employed persons in agriculture.

8. Subject to the over-all goals of growth with redistribution and removal of poverty and unemployment, the major objectives of State's Eighth Plan are as follows :

(1) To raise income of rural poor

(2) To improve quality of life in rural areas

(3) To ensure that reasonable share in public facilities is available to poor people.

(4) To maximize productivity in agriculture along with diversification and mixed farming in small and marginal holdings and in areas of low productivity.

(5) To bring down population growth to 1.8 per cent per annum.

(6) To achieve a faster growth in manufacturing sector and promotion of industries which have larger potentialities of employment and ancilliarization.

(7) To consolidate gains from and to improve efficiency and productivity of past investment and of the existing assets

(8) To promote faster development of backward areas in order to reduce intra-state disparities in levels of development.

(9) To undertake special measures for the overall economic and social development of the weaker sections of the society, particularly of scheduled castes/scheduled tribes, and of women and children.

(10) To strengthen panchayati raj institutions in rural areas and local self governing institutions in urban areas and to make them effective media for formulation and implementation of development schemes.

9. It will be the function of each sector of the plan to keep these objectives in view and to ensure that its programmes and policies in the Eighth Plan serve these objectives also. It will be useful in this context to state here briefly some of the over-all strategies which will be pursued in the plan to achieve these objectives. The sectoral strategies must fit into these over-all strategies :-

----- Objectives -----	----- Overall strategies -----
1. To raise income of rural poor	i) Giving highest priority to development programmes which maximize productivity of small and marginal holdings, generate self-sustaining additional employment including wage employment and self-employment for them in agriculture and non-agricultural activities with guaranteed minimum income. ii) Initiating measures which, apart from raising productivity of assets for rural poor, also lead to accretion in their assets.
2. To improve quality of life in rural areas	i) Provision of safe and hygienic drinking water in all villages in adequate quantity. ii) Saturating all villages with improved net-work of assured electricity. iii) Linking all villages with roads. Qualitative and quantitative improvement in delivery of basic services in rural areas, particularly in the fields of education and health-care to achieve universal elementary education for all children in the age-group of 6-10, a literacy rate of 50 percent and the objective of health for all by 2000 A.D. iv) Development of small and medium towns as growth centres providing for rural areas services of superior character usually available in cities only.

Objectives

Overall strategies

3. To ensure that a reasonable share in public facilities is available to poor people.

v) Provision of suitable houses for rural poor.

4. To maximise productivity in agriculture along with diversification and mixed farming in small and marginal holdings and in areas of low productivity

i) Developing suitable and effective safeguards to ensure that these facilities or a major share of these are not appropriated by more affluent sections of the society.

i) A massive increase in irrigation through private minor irrigation schemes for the benefit of small and marginal farmers.

ii) Improvement in delivery systems of providing credit for agriculture inputs to these farmers.

iii) Introducing high value crops, vegetables and fruits which are both more labour intensive and yield high incomes.

iv) A big thrust on animal husbandry programmes, particularly of milk production, dairy development, poultry and pisciculture.

v) Creation of capacities for processing of agriculture produce to secure more remunerative prices for farmers.

5. To bring down population growth to 1.8 per cent per annum

i) Instead of proliferation institutions and services, consolidating existing infrastructure by making suitable improvements.

ii) Improvement in literacy rate with particular emphasis on female education.

iii) Augmentation of maternity and child welfare services to bring down infant mortality rate.

6. To achieve a faster growth in manufacturing sector and promotion of such industries which have larger potentialities of employment and ancilliarization.

i) Promoting growth of industries which lead to growth of 'ancilliaries' and where processes of production can be decentralized providing work and wages to people in neighbouring areas.

Objectives

Overall strategies

7. To consolidate gains from and to improve efficiency and productivity of past investment and of the existing assets.

This is more a question of sectoral strategies than over-all strategies and the same should be expressed clearly in sectoral reviews.

8. To promote faster development of back-ward areas in order to reduce intra-state disparities in their levels of development

i) Diversion of more resources to back-ward areas for economic and social services
ii) Initiating special measures for removal of the major constraints on growth and development of backward areas and providing area-specific 'growth-impulses' to facilitate development process in these areas.

9. To undertake special measures for the over all economic, and social development of the weaker sections of the society particularly of scheduled castes/scheduled tribes, and women and children.

This is again a question of sectoral strategies.

10. To strengthen Panchayati Raj Institution in rural areas and local self governing institution in urban areas and to make them effective media for formulation and implementation of development schemes.

This is largely a question of political decision at appropriate level.

10. It has, already been stated that alongwith growth in income, the distributive aspect of income has also received special attention in eighth plan, keeping in view the commitment of objective of social justice. The distributive aspect of income has two dimensions and both are equally important. One, the distribution of income between main sectors of the economy and two, the distribution of income between people

of different strata of income levels. While the former is basically a function of 'structure of income' the later is a function of overall as well as sectoral policies and programmes.

11. Agriculture and animal husbandry is the source of livelihood for the highest percentage of population in the state. This sector has its base in rural areas and it is the rural population, in particular, which benefits from income generated in this sector. The incidence of poverty is predominant in rural areas which account for nearly 82 per cent of the population below poverty line in this state. Therefore, the larger the share of income of this sector in total income and in the incremental income of Eighth Plan, and the greater the equity in the distribution of this income, the greater will be beneficiaries amongst rural population and rural poor. There are however, limitation of growth in this sector. Subject to these limitations, the objectives of social justice and of reduction in the incidence of poverty can be served to the extent the share of this sector in the incremental income of the plan is maximized and as many activities or units, as may be possible, contributing to growth in income in manufacturing sector are located in or around rural areas.

12. The structure of and the distribution of incremental income as a result of targeted growth rates and physical targets of Eighth Plan will be as shown in Annexure-I & II.

13. It will be seen from the Annexures that a share of 30 per cent in the incremental income of the plan will flow to 'agriculture and animal husbandry' sector with manufacturing and the 'rest sectors' claiming 35 per cent each. Similarly, the share of incremental income in manufacturing sector will register a substantial increase from 24 per cent in seventh plan to 34 per cent in Eighth Plan. The share of 'other sectors' in the incremental income will however, decline from 41 per cent to 35 per cent. This is inevitable in the situation obtaining in this state where there is still large scope and potential for growth in commodity producing sectors, and the shares of these sectors together must for some time to come rise still higher to give necessary strength to the economy and the desired impetus to a sustained growth of the tertiary sector.

14. As stated before, the targets of growth rate can be achieved only when desired levels of physical activity also reached in a number of income generating sectors. Similarly, the targets set out in the plan for the main objectives of removal of poverty and unemployment can be achieved only when, apart from initiating some policy measures for this purpose, there are desired physical achievements in selected few areas. Keeping these considerations in view, the levels of physical activity required at the end of the plan for achieving the targeted growth rate of 6% per annum and other objectives of the plan have also been worked out. The levels are neither beyond us to achieve nor these would require resources beyond what are indicated in this plan.

15. Some of the salient features of the targets of the plan are as follows:-

I. Agriculture Production:

1. Foodgrains :

Against the foodgrain production of 337 lakh tonnes in 1989-90 and a higher production on 354 lakh tonnes in the preceding year of 1988-89 the target of 1994-95 is 430 lakh tonnes, 93 lakh tonnes more (28%) than the base year (1989-90) and 76 lakh tonnes more (21%) than the highest ever produced in 1988-89.

2. Irrigation :

There will be addition of 65 lakh hectare in irrigated potential during the plan, which is likely to raise gross irrigated area from 139 lakh ha. in 1987-88 to 175 lakh ha. in 1994-95, registering an increase of 26 per cent.

3. Fertilizers :

Increase of 11 lakh tonnes in fertilizer consumption, raising the consumption of fertilizers by 52 per cent, from 21 lakh tonnes in 1989-90 to 32 lakh tonnes in 1994-95.

4. Short-term Credit :

An almost 100% increase in short term credit, from Rs. 409 cr. in 1989-90 to Rs. 800 cr. in 1994-95.

5. Sugarcane :

Production of sugarcane will go up from 971 lakh tonnes (1989-90) to 1075 lakh tonnes (1994-95) registering an increase of 104 lakh tonnes (11%) to be achieved through higher productivity.

6. Potato :

Production of potato will also go up by 12 lakh tonnes from 64 lakh tonnes in 1989-90 to 76 lakh tonnes, registering an increase of 19 percent.

7. Expansion of capacity in Cold storages :

Increase in the capacity of cold storages from 33 lakh tonnes (1989-90) to 48 lakh tonnes in 1994-95, registering an increase of 15 lakh tonnes (45%).

8. Oil seeds :

Oil seed production will register an increase of 25 per cent, from 12 lakh tonnes in 1989-90 to 15 lakh tonnes in 1994-95.

II. Live Stock :

1. Milk :

Increase of 49 lakh tonnes (54%) in milk production, raising this figure from 91 lakh tonnes in 1989-90 to 140 lakh tonnes in 1994-95.

2. Eggs :

Five fold increase in production of eggs from 42 cr. (1989-90) to 250 cr. (1994-95).

3. Fish :

Increase of 0.57 lakh tonnes (61%) in fish production, raising this figure from 0.93 lakh tonnes in 1989-90 to 1.50 lakh tonnes in 1994-95.

III. Industry :

1. Investment :

Mobilizing an additional total investment of Rs. 20,000 cr. from all sources for setting up new industries in manufacturing sector both organized and unorganized.

2. Industrial Production Index :

Raising Industrial Production Index (1970-71=100) from 407 in 1988-89 to 717 in 1994-95, signifying an increase of 76 per cent.

3. Cane Crushing Capacity :

A major hike in cane crushing capacity of sugar mills from 32 per cent of total sugar cane in 1989-90 to 50 per cent in 1994-95.

IV. Energy :

Power

Consumption of electricity going up from 18110 MU in 1989-90 to 32260 MU in 1994-95 registering an increase of 14150 MU (78%).

V. Education :

Over-all Literacy rate growing up from 34 per cent anticipated for 1989-90 to 50 per cent in 1994-95 with literacy amongst females registering phenomenal increase from 20 per cent to 39 per cent.

VI. Health :

Population growth to be brought down from 2.2 per cent per annum in 1986 to 1.8 per cent per annum in 1994-95 with birth rate coming down from 38 per thousand to 28 per thousand, death rate from 15 to 10 and infant mortality from 132 to 80 per thousand.

VII. Minimum Needs Programme :

1. Rural Electrification

100 per cent villages will be electrified by 1994-95 against 71 per cent only in 1989-90.

2. Universal Education

100 per cent enrolment of children (age group 6-10) for primary education against 80 per cent in 1989-90 and 60 per cent enrolment of children in age group 11-13 against 45 per cent in 1989-90.

3. Rural Roads

100 per cent villages with population of 1000 and above will be connected with all weather roads by 1994-95.

4. Rural Water Supply

100 per cent villages will be provided with safe and adequate drinking water by 1994-95 against a coverage of 85 per cent only in 1989-90.

5. Rural Health

Opening of 4000 new sub centres raising their figure to 24,153, 1000 new primary health centres raising their figure to 3836 and 205 new community health centres raising their figure to 382 by the end of the plan

16. The targets may appear to be high on first sight. But there are three things we should bear in mind while evaluating these targets. One, the targeted growth rates and reduction in the incidence of poverty and unemployment, as described in this document, cannot be realised without achieving these physical and

financial targets. Two, there is lot of rationale and consistency in these targets. Three, the targets are not unrealistic nor beyond state's capacity to achieve.

17. There is evidence to believe that these are achievable targets. Passed achievements or trends should not be the sole criteria to judge these targets and to form some view about the same. If we were to go only by passed achievements or trends, we should have remained content with lower target of growth rates or of removal of poverty and unemployment. In that case, the physical targets could also be scaled down. It was never the main consideration in formulating these targets that the same should be easy to achieve. Instead, the consideration has been to match goals and objectives of the plan with physical and financial targets which, though not easy to achieve, can still be achieved with improved efficiency, more hard work and optimal use of state's resources.

ANNEXURE-I
Distribution of income amongst sectors at
constant (1980-81) prices

(In percentage)

Sector	1980-81	1984-85	1989-90	1994-95
1	2	3	4	5
1. PRIMARY	52.4	49.0	45.3	41.4
Of which Agriculture	48.7	47.2	43.6	40.1
2. SECONDARY	15.9	17.7	19.6	23.6
Of which Manufacturing	<u>10.7</u>	<u>12.9</u>	<u>15.2</u>	<u>20.1</u>
(i) Registered	4.3	6.4	8.5	11.0
(ii) Unregistered	6.4	6.5	6.7	9.1
3. TERTIARY	31.7	33.3	35.1	35.0
	100.0	100.0	100.0	100.0

ANNEXURE-II
Distribution of Incremental income amongst sectors
at constant (1980-81) prices

(In percentage)

Sector	During Periods from		
	1980-81 to 1984-85	1984-85 to 1989-90	1989-90 to 1994-95 (Target)
1	2	3	4
1. PRIMARY	26	32	30
2. SECONDARY	30	27	35
Of which Manufacturing		<u>24</u>	<u>34</u>
(i) Registered		17	18
(ii) Unregistered		7	16
3. TERTIARY	44	41	35
	100	100	100

CHAPTER-VI

PLANNING PROCESS

The planning process started in the country with the establishment of Planning Commission in 1950 and the launching of the Four Five Year Plan in 1951. Since then, seven Five Year Plans and four annual plans have been completed and we are in the first year of Eighth Five Year Plan.

2. The central objective of planning in India, which was enunciated in the First Five Year Plan and which continues to dominate is to initiate a process of development which will raise living standards and open out to the people new opportunities for a richer and more varied life. In fact, economic development was viewed as an instrument of economic and social transformation of society and a process of building up an institutional framework to secure the satisfaction of the needs and aspirations of the people.

3. The framework in which planning for economic development has to take place is that of the mixed economy in which both the public and private sectors have to play their important roles. While the public sector plans remain the direct responsibility of the Government, the contribution from private sector in planned development is secured through various policy measures ranging from fiscal and monetary policies to direct controls. On the whole, this entails a vast increase in functions of the government. The activities of development institutions in the country, official and non-official, have to be oriented to fulfill the objectives of planning. For these functions to be discharged efficiently, appropriate organizations have to be built and strengthened with defined spheres of action and responsibilities.

4. Over the years, a four tier multi level planning system has emerged in our country. These tiers are (a) National Level, (b) State Level, (c) District Level and (d) Block Level. Of these, the first tier views planning from above, while the last one views planning from below. The state and the district planning processes provide the link between the two. The last of these tiers, block Level planning is still not operational in most states. By and large, planning still continues to be centralized with most of the inputs for planning coming from above. The efforts to broaden the process of planning were weak and half-hearted and have not therefore met with any significant success.

PLANNING MACHINERY AT NATIONAL LEVEL

5. The Planning Commission was established at the national level on 15th March, 1950. It was established by a Cabinet resolution. The resolution, while explaining the circumstances for creation of Planning Commission, said that "the need for comprehensive planning based on a careful appraisal of resources and on an objective analysis of all the relevant economic factors has become imperative. These purposes can best be achieved through an organization free from the burden of the day-to-day administration but in constant touch with the Government at the highest level"

6. Based upon the Directive Principles of State's Policy embodied in the constitution, the Planning Commission was assigned the following seven functions:-

- [1] make an assessment of the material, capital and human resources of the country, including technical/ personnel, and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation's requirements;
- [2] formulate a plan for the most effective and balanced utilization of the country's resources;
- [3] on a determination of priorities, define the stages in which the plan should be carried out and propose the allocation of resources for the due completion of each stage;
- [4] indicate the factors which are tending to retard economic development, and determine the conditions which, in view of the current social and political situation, should be established for the successful execution of the plan;
- [5] determine the nature of the machinery which will be necessary for securing the successful implementation of each stage of the plan in all its aspects;
- [6] appraise from time to time the progress achieved in the execution of each stage of the plan and recommend the adjustments of policy and measures that such appraisal may show to be necessary; and
- [7] make such interim or ancillary recommendations as appear to be appropriate either for facilitating the discharge of the duties assigned to it; on consideration of the prevailing economic conditions, current policies, measures and development programmes; or on an examination of such specific problems as may be referred to it for advice by Central or State Governments.

7. The resolution also specified the commission's role in the system of Government. It said "The Planning Commission will make recommendations to the Cabinet. In forming its recommendations, the Commission will act in close understanding and consultation

with the ministries of Central Govt. and the Governments of the States. The responsibility of taking and implementing decisions will rest with the Central and State Govts."

8. Headed by the Prime Minister, the Commission has some whole time members and some Cabinet Ministers as ex-officio members. During all these years the Commission's scope of activity and functions have not changed.

9. The National Development Council is an apex body at the national level. It is purely an advisory body. Its creation was suggested by the Planning Commission in the draft outline of the First Five Year Plan. It was established on 6th August, 1952, by a Cabinet resolution which defined its functions as follows|-

- [1] to review the working of the National Plan from time to time;
- [2] to consider important questions of social and economic policy affecting national development; and
- [3] to recommend measures for the achievement of the aims and targets set out in the National Plan, including measures to secure active participation and cooperation of the people, improve the efficiency of the administrative services, ensure the fullest development of the less advanced regions and sections of the community and through sacrifices borne equally by all citizens, build up resources for national development.

10. It consists of the Prime Minister, Chief Minister's of States, Cabinet Ministers of Central Govt., Members of the Planning Commission.

11. It is the highest forum of consultation among Central and various States on all important policy matters concerning planning process as well as overall development strategy.

STATE LEVEL

12. Planned development in a state of the size of Uttar Pradesh cannot have any meaning unless it takes into account intra-state variations in the level, potential and problems of development of different areas. An optimal use of overall resources can be ensured only if the State Plan is built up through a series of interactive multi-level exercises involving the fusion of regional, district and block level strategies. From the operational point of view, a plan ultimately takes the form of a collection of inter-related programmes/projects/schemes aimed at yielding the desired results through spatial convergence and appropriate temporal sequencing. Unless plan formulation is preceded by systematic diagnosis, survey and investigation of problems, consideration of alternatives, pre-testing of new

approaches through pilot projects and independent ex-ante appraisal, it is likely to result in sub-optimal use of sizeable resources and loss of valuable resources and irretrievable time.

13. As an inter-disciplinary function, planning requires the participation of technologists, geographers, economists, statisticians, sociologists, management experts, general administrators and political scientists. In addition, it also requires a very deliberate and systematic inflow of reliable information regarding the perception, needs, preferences and motivational levels of the people in general and the participants and beneficiaries of specific programmes in particular. While it is neither possible nor necessary to develop in-house expertise for all the relevant branches of knowledge pertaining to every activity covered under development planning, it is undoubtedly necessary that the planning process should be supported with adequate and appropriately equipped multi-disciplinary manpower capable of

- [a] keeping a watch on economic trends, demand projections, development and utilization of capacities and other environmental factors, especially the production trends, policies, incentives and disincentives and regulatory mechanisms relevant to the country as a whole;
- [b] assisting development departments and lower level planning and development agencies in decision making by making trend projections, identifying constraints, undertaking economic analysis for formulating a policy frame-work and suggesting hierarchies of priorities from time to time;
- [c] undertaking monitoring, concurrent appraisal and evaluation of individual projects/programmes/schemes, overall performance of various sectors as well as the state's economy as a whole;
- [d] assessing institutional and organizational potentials and constraints, specially from the point of view of the delivery of services and resources to the poorer and unorganized sections of society;
- [e] conducting diagnostic/exploratory studies and undertaking pre-testing of new technologies as well as new programmes through pilot projects implemented under real conditions;
- [f] helping in the formulation as well as ex-ante appraisal of shelves of projects;
- [g] developing techniques and procedures for the continuous monitoring of intra-state imbalances and providing methodological and logistical support for planning at the regional, district and block levels;
- [h] organizing training of officers concerned with sectoral, project and area planning at the state and at the field levels;

- [i] functioning as a channel for the development departments and various spatial planning units for obtaining services of experts belonging to various disciplines for consultancy ; and
- [j] establishing and maintaining rapport with various organization, financing institutions and knowledgeable individual, particularly technologists and social scientists, whose advice and assistance would be useful for formulating and implementing policies and programmes for development and also getting feed back about their impact in the field.

14. Uttar Pradesh has already made some progress towards establishing a planning set-up which, at least structurally, provides for the performance of the manifold responsibilities enumerated above.

STATE PLANNING COMMISSION

15. The State Planning Commission has the Chief Minister as its Chairman, the Planning Minister as the Vice Chairman and the Deputy Chairman and 24 other members including three ministers, nine-ex-officio official members and 12 other members.

16. The State Planning Commission evolves development strategies, formulates plan policies for the Five Year and Annual State and Regional Plans and advises the State Cabinet in all matters pertaining to planned development , more especially with respect to;

- [i] Overall plan strategy;
- [ii] Plan resources;
- [iii] Sectoral outlays;
- [iv] Inter-sectoral priorities and co-ordination;
- [v] Appraisal of large development projects;
- [vi] Rsappropriation of outlays between major sectors;
- [vii] Targets and goals;
- [viii] Regional plans;
- [ix] State economy;
- [x] Human resource development;
- [xi] Allocation of outlays for district plans;
- [xii] Monitoring plan progress and periodic review of the state's economy;
- [xiii] Role and performance of State Public Sector Undertakings vis-a-vis development goals.

STATE PLANNING INSTITUTE

18. A historical review of planning and development in India shows that there has been a progressive expansion of the scope of planned development resulting in a tremendous increase in the dimensions of investment. This has necessitated a progressive refinement of the informations system and the tools and

techniques for keeping watch on economic trends; identifying potentials and constraints in the development process; understanding the operation of inter-acting socio-economic and institutional factors; formulating programmes and projects for State intervention; establishing inter-sectoral complementarities; rationalizing investment decisions and monitoring and evaluating performance.

19. Against the background of these few needs, the State Planning Institute was established in November 1971 by merging the already existing Directorates of Economic Intelligence & Statistics (now designated as Economics and Statistics Division) and Evaluation and the Planning Research & Action Institute and establishing new divisions for Manpower Planning, Perspective Planning and Area Planning. Later, in 1973, three more divisions viz. Monitoring Information & Scientific Management (now designated as Plan Monitoring & Cost Management Division), Project Formulation & Appraisal and Materials Management & Inventory Control were added to the Institute. The last named Division was, however, wound up in 1979 and its responsibilities were assigned to other divisions. A full-fledged division known as Training Division was added in Sept. 1981. The functions of this new Division were earlier looked after by the Evaluation & Training Division. In Oct. 1981 one more division, named as Hill Division was added to the Institute. Thus there are now ten divisions of State Planning Institute. These are:

- [1] Economics and Statistics.
- [2] Planning Research and Action.
- [3] Evaluation.
- [4] Training.
- [5] Perspective Planning.
- [6] Area Planning.
- [7] Manpower Planning.
- [8] Plan Monitoring and Cost Management.
- [9] Project Formulation and Appraisal.
- [10] Hill Development.

20. At present, the State Planning Institute is headed by a Chairman who is also the Planning Secretary to the Government of Uttar Pradesh. The Director of each of the division is assisted by Joint Directors, Senior Research Officers, Research Officers, Research Assistants, Statistical Assistants, and Compilers belonging to various scientific disciplines such as Economics, Statistics, Business Administration, Agricultural Economics, Sociology, Economic Demography, Engineering, Town/ Regional Planning, Architecture etc. To the extent possible, each division has been organized to give it the multi-disciplinary character required in the context of its specific responsibilities and the functional variety relevant to planning in the Indian environment.

21. The advantages of integrating the old and new functional divisions under one common umbrella of the State Planning Institute are obvious. Experience of the last few years has shown that the capabilities of practically every division have been greatly enhanced by the ready accessibility to data from the Economic Intelligence & Statistics Division. It would, however, be a mistake to assume that the Economic Intelligence & Statistics Division is not a beneficiary from this integration. Unlike the past pattern, the perspective and activities of this Division are now more objectively determined because it is now required to fulfill real and specific needs which have been determined by data users. Other divisions concerned with socio-economic studies such as the Perspective Planning Division, the Area Planning Division and the Manpower Planning Division have to keep in close touch with each other from day to day so that their recommendations, which form the basis for policy formulation, would not point in contrary directions. In so far as the Project Formulation & Appraisal Division, the Planning Research & Action Division and the Plan Monitoring Division are concerned, the focus of these is essentially on operational planning and implementation. Unless there is cross-fertilisation of ideas between the various Divisions of State Planning Institute they could cause confusion among development departments by recommending diverse norms and mutually inconsistent techniques and procedures. Above all, because of the integrated framework of the State Planning Institute, the personnel of all the divisions taken together constitute a viable corpus of a variety of expertise which can contribute tremendously to the scope and coverage of work by individual divisions through formal and informal interaction of constituent personnel.

PEOPLE'S PARTICIPATION AND DECENTRALISED PLANNING.

22. The idea of decentralization of planning process below the state level has featured consistently in our Five Year Plans. Of course the emphasis has varied. It gained momentum with the acceptance of the recommendations of the Balwant Raj Mehta Committee (1957) on Community Development and Plan Projects. Under the scheme of decentralization it suggested a three tier integrated organic structure with Panchayats at the base, Zila Parishads at the apex level and Panchayat Samities or Kshetria Samities in between.

23. The Committee specifically said that development cannot progress without responsibility and power. Community development can be real only when the community understands its problems, realizes its responsibilities, exercises the necessary powers through its chosen representatives and maintains a constant and intelligent vigilance on local administration. Hence the Committee recommended that there should be devolution of power and decentralization of machinery and that such power be exercised and such machinery controlled and directed by popular representatives of the local area.

24. With the acceptance of these recommendations, the State passed "The U.P. Kshetria Samiti and Zila Parishad Act 1961" and created three tier bodies at the Village, Kshetria Samiti and Zila Parishad levels. With the period of ascendancy (1959-64), stagnation (1965-69) and phase of decline (1969-77), these institutions have now again been revived with elections taking place for these rural local bodies-sometime back after a lapse of about eleven years.

25. When the democratic rural institutions were under supercession, decentralized district level planning was introduced in the State from the year 1982-83 with the twin objectives of removal of inter-district and intra-district imbalances in the State and also to give districts an opportunity to achieve development, having regard to their potentials, available manpower and other resources.

FRAME- WORK

26. [A] Unit of Planning: As a first step, district has been selected as a unit of planning because it is at the district level that most of the development departments have their machinery to work out schemes, lay down time schedules and ensure that concerted efforts are made for effective implementation of their schemes. Further, the system of data collection also does not go, generally, beyond the district level. Once the planning process gets strengthened and necessary infrastructure developed, this process will be further decentralized and the development block will become the unit of planning.

[B] Classification of schemes: The various schemes and programmes have been classified under two broad categories viz., the State Sector and the District Sector Schemes. This classification is based on the twin criterion of location and area of benefits of the scheme. A review of this classification is done every year in consultation with Administrative Departments and changes, if necessary, are incorporated so as to make this process of decentralization more realistic and fruitful.

The schemes under district sector mainly include programmes of agriculture and allied sectors, rural electrification, village & small scale industries, education, sports, vocational training, medical and public health, water supply, labour welfare, social welfare & welfare relating to scheduled castes and scheduled tribes. In fact, most of the schemes under the minimum needs programme (MNP) are included in the district sector and all decisions regarding allocation of funds and location of facilities are taken at the district level keeping in view the over all targets fixed at National level.

[C] Allocation of Outlay: It was envisaged that about 30% of the total plan outlay will be earmarked for the district sector schemes. This was fixed keeping in view the national and State priorities and requirements. The table given in Appendix-I shows the district sector outlays since the inception of the decentralized planning.

[D] Devolution of Funds to districts: With a view to removing the inter-district and intra-district disparities, a formula based on the population and level of development has been evolved for the distribution of district sector plan outlay among various districts. This formula is given in Appendix-II.

ORGANIZATIONAL SETUP

27. The functional decentralization is entrusted to two committees at the district level viz. District Planning and Monitoring Committee and District Plan Coordination and Action Committee. The District Planning and Monitoring Committee has been constituted for each district with people's representatives as members under the chairmanship of a member of Council of Ministers. The main functions of this District Level Committee are:-

- [i] to finalize Five Year as well as Annual Plans of the district keeping in view the guidelines issued by the Government as well as the plan outlays ear-marked for the district;
- [ii] to review district plans once in every three months;
- [iii] to put-up proposals for re-allocation of funds on the basis of these reviews for the approval of the Divisional Committee.

28. The second committee is headed by District Magistrate with district level officers of various development departments as members and Chief Development Officer as its Secretary and District Economic Officer as Joint Secretary. The main functions of the Committee are to formulate district plans and to prepare proposals for re-appropriation of funds.

29. At the Divisional level, a Divisional Committee has been constituted with a Cabinet Minister as Chairman. All the District Officers and the Divisional officers are members of this Committee. The main functions of this committee are-

- [i] to review and approve district plans drawn up by the district committees;
- [ii] to review the implementation of district plan;
- [iii] to accord administrative and financial approval for new schemes and programmes up to Rs. 10 lakh;
- [iv] to draw up administrative credit plan for mobilizing maximum amount of institutional finance for the implementation of district plans.

30. The district plans thus formulated and approved by the district and divisional committees are also scrutinized in the Planning department at the State Level with the help of administrative departments. The budget proposals are formulated on the basis of the plans finalized at the State Level. After legislative approval is accorded on the budget, financial sanctions are issued directly to district level officers.

PLAN FORMULATION, MONITORING AND REVIEW

31. Planning Department at the State headquarters sets the time schedule for formulation and finalization of district plans. Planning Department sends a set of general guidelines to districts as well as divisional level officers which among other things specify (a) plan ceiling for the total district sector, (b) revised and up-dated classification of district and state sector schemes, (c) directions for making adequate provisions for priority areas like MNP, centrally sponsored schemes, and (d) measures to be taken to reduce intra-district disparities.

TRAINING

32. The need of training of personnel engaged at various levels in the process of decentralized planning is very obvious. It is not only necessary to impart basic knowledge of concepts, methodologies as well as skills of district planning, but it is equally important to inculcate in them the necessary attitudes required to accept the new process. The qualitative change in the aptitudes of the personnel towards this new process is one of the pre-conditions of the success of this scheme.

33. In order to achieve the above objectives, the Training Division of the State Planning Institute is organizing programmes of various durations for the district level officers. Two types of programmes are, generally, organized in this field, one for the officers who man the district planning cell and whose main task is plan coordination, monitoring and reviewing the plan for the district level officers of the functional departments. The Training Division has been organising about 10-20 training programmes annually and approximately 300-500 personnels are being trained each year.

34. It is proposed to organize more courses in district planning so that a large number of officers engaged in the planning process are trained in the techniques of district planning.

35. Apart from the above training programmes, seminars and workshops are also arranged for the senior and middle level officers each year before the start of the preparation of next year's district plan. These seminars and workshops organized at the state level as well as at the divisional level, were found to be useful by all the participants as these gave them ample opportunities to refresh their memories, clear their doubts, if

any and to help them in updating their knowledge of the latest guidelines and norms received from the various administrative departments. The training programmes, workshops and seminars have greatly improved the quality of district plan year after year.

36. The schemes classified under district sector in general cater to the needs of the people living in rural areas. In certain sectors like Medical, General Education etc. people, schemes are of such nature which benefit both rural and urban areas. But the schemes for urban areas are not a charge on the District Sector.

DELEGATION OF POWERS

37. The districts have been pointing out the need of delegation of some administrative and financial powers to them. An important delegation made so far is that financial sanctions in respect of schemes are being directly issued to districts and not through the Heads of Departments. The designs, specifications and estimates of some of the non-residential buildings have also been standardized and sanctions in respect of these buildings are directly issued to the senior most officer of the department in the district. The question of delegating some more powers is under consideration of Government.

BUILDING UP DATA BASE FOR DISTRICT PLANNING

38. Under the concept of decentralised planning, efforts are continuously made to build up a suitable and adequate data base for the formulation of district plans. The Economics and Statistics Officer posted in the district is responsible for this task.

39. A statistical hand book is being brought out by the District Economic and Statistics Offices on annual basis. This publication contains data on area & population, agriculture, animal husbandry etc.

EIGHTH FIVE YEAR PLANS OF DISTRICTS

40. Planning for development involves an appraisal of the achievements of the economy during the past and the existence of disharmonies and bottlenecks for future growth. Taking these into account broad objectives for development are laid down for a time span of five-ten years for planning at the state as well as the district level. In this context the State Government had issued instructions to the districts to prepare District's Eighth Five Year and Annual Plans. An appraisal of the current development, reveals several economic disharmonies and maladies.

41. These disharmonies and imbalances are sought to be removed in the Eighth and subsequent Five Year Plans. The strategy of development for the Eighth Five Year Plan has been built on the basis of productive employment and democratic decentralisation.

42. The goals and objectives of Eighth Plan were communicated to the districts (numbering 63) and they were asked to prepare their Five Year Plans with Annual Action Plans, clearly indicating district priorities within the frame-work of State's priorities. A sum of Rs. 6507 Cr. which is roughly 26.02 percent of State's Eighth Five Year Plan, was distributed amongst the districts. The outlays which have emerged from the districts have been shown in APPENDIX-III. A comparison under broad sectoral heads for pattern of Seventh and Eighth Five Year Plan has been shown in table below:

SECTORAL ALLOCATIONS UNDER DISTRICT PLAN
(IN PERCENT)

SECTOR	SEVENTH PLAN ALLOCATION	EIGHTH PLAN ALLOCATION
1	2	3
1-Economic Services	31	22
2-Poverty Alleviation (Rural Development)	20	24
3-Infrastructure	18	21
4-Social Services	31	33

STEPS TO IMPROVE THE DISTRICT PLANNING PROCESS

43. During the process of implementation, difficulties have been experienced with regard to budgetary procedures specially re-appropriation of funds. The question of simplification of budgetary procedures in tune with the spirit of decentralization is also under consideration of the State Government.

44. In the context of Eighth Five Year Plan, the State Government has also constituted a working group to study the system of decentralized planning in different states and to submit a report on the following main points:-

1. Role of Zila Parishads and local bodies in decentralized planning.
2. Role of DRDAs in district planning.
3. Coordination between different district level departmental committees and committees setup under decentralized planning.
4. Role of District Magistrates in decentralized planning.
5. Institutional structure regarding district planning.

The report of the working group is likely to be available very shortly.

RE-ORIENTATION IN PLANNING PROCESS

45. Having had some idea of the framework of the planning process, as now, the question which arises is what are the major inadequacies in this framework and the steps which can be taken in the Eighth Plan, consistent with its goals and objectives, to reduce their adverse impact to the extent it may be possible to do in the given situation. The major inadequacies are |

- (i) There is no micro-planning of any size and at any level. It is a macro-planning, through and through based on macro-aggregates and the wisdom, perceptions, experience and expertise of those operating at the Centre or at the State. Consequently, the framework also provides for no mechanism for the output of one to be used as an input for the other.
- (ii) There is no worthwhile participation of the people then or through their representatives in planning process. The participation, whenever and wherever attempted in the past, has been more in form than in content.
- (iii) There has been around reluctance to shed powers at all levels, a marked lack of trust in the capacities and capabilities of each other and the persistence of the old colonial and feudal traditions of taking decisions for others even on matters which primarily affect them.

46. These few inadequacies symbolize the present centralized and bureaucratized planning. A change from this to decentralized and people planning is basically a function of political will. Professions apart, we have moved far too slowly in this direction. There are, perhaps, few areas in our socio-political system where the gap between profession and practice has been so conspicuous and persistent as in the area of planning-process. While the decentralized-planning has been most widely and universally acclaimed, and details apart, it seldom generated any controversy, yet it found few real takers in our system.

47. Fortunately, perhaps, it is for the first time that the emphasis, and attention given to it in the 'Approach' to the Eighth Plan appears to be much more than a ritual. Integrated local area planning has been conceived as one of the basic ingredients of decentralized planning. The methodological aspect of decentralized planning has been highlighted for the first time in proper perspective. This is a welcome feature and together with strong commitment of the present government to the concept of grass-root planning, it augurs well for a change in the desired direction in Eighth Plan.

48. While a more comprehensive change involving the roles, functions and powers of Panchayati Raj Institutions in the field of formulation and implementation of plans and integration of the same with each other and with state plan may take still some time, depending upon the speed with which decisions are taken on the recommendations of the group referred to earlier, a beginning can be made straight away with formulation of integrated local area plan on a limited scale as a basis for decentralized planning. That Approach to Eighth Plan has also strongly urged the need for the formulation of such plan to solve the chronic problems of unemployment and severe under-employment.

49. It is this background that work of 'Integrated local area planning' is proposed to be undertaken in the state during Eighth Plan with main thrust remaining on generation of productive and gainful employment through large-scale and dispersed economic activities in rural areas. It is hoped that such planning will not only add a new dimension to present planning process but will also partially, if not wholly, overcome some of its inadequacies also.

50. It is not that the State has no experience, whatsoever, of integrated local area planning. A beginning was made in this direction some ten years back and a number of local area plans were made for development blocks. It was a sporadic effort at that time, not so much as a part of the organized planning - process but more so on the basis of the initiative taken by a select few for attempting a breakthrough in this process. The experience gained from this should come in handy for this new effort in Eighth Plan.

51. Seen in retrospect, the two major drawbacks of what was tried in the past, and perhaps both of these were, unavoidable at that point of time, were that the plans were made by external agencies and the plans were not resource-based. Consequently, the plans were not accepted and assimilated in the system and remained more a piece of excellent work than the basis for action. For these reasons, therefore, the attempt this time will be to enable the local institutions and local people to formulate these plans themselves on the basis of a more realistic assessment of resources likely to be available for the same from various sources.

52. There are several ramifications of 'Integrated local area planning' and it is not possible to go into all these in detail at this time. Apart from finding solutions to the problems of conceptual understanding, methodology which may be both simple and replicable, suitable manpower and upgradation of their skills, organizational and financial backup, and of integration of these plans with district plans, considerable ground work and effort will be required to make this experiment successful. The nuts and bolts will have to be tightened. All these will be a part of detailed exercise and a description of the same can wait for some time.

INTEGRATED LOCAL AREA PLANNING

53. However, it will be useful to mention here some of the more critical and basic aspects only of integrated local area planning .

Integrated Area Planning

54. The most important thing in this connection is to identify viable area units for integrated planning wherein future investments could be made and a variety of small and household industries and diverse service organisations could be established. This is important because otherwise these aeral units can not provide a suitable range of opportunities for people with differing skills, aptitudes and capabilities. The idea is to organise or create investment clusters where punctiform conjunction of productive activities and facilities may take place.

55. The experience of several developed countries also shows that such a punctiform clustering of socio-economic activities results in an overall improvement in productivity not only because workers will have better tools and equipments but because they will be able to find jobs for which they are temperamentally suited. It also makes it possible to generate certain external economies because of the spatial juxtaposition of a number of enterprises. In this manner, the coagulation of enterprises into an investment cluster leads to the development or upgradation of a number of other ancillary activities.

56. It may be added that all the settlements included in the identified aeral unit for integrated planning may not be suitable for locating large number of economic activities particularly industries and we may have to identify the most suitable place for this purpose. Such place, which may be designated as central place or growth centre, becomes the focal point which will provide employment to its own population as well as for the people living in its hinterland. If small industrial or commercial establishments are established at such places, many workers can commute to their new found employment from their village homes, minimising the need of new housing and other facilities to accommodate industrial work-force and there by making resources available for more urgent types of investments.

57. The more important pre-requisites of integrated local area planning are:

1. Identification of a viable units
2. Scope and content
3. Simple and replicable methodologies for plan-formulation by people's representatives and Panchayati Raj Institutions (PRIs)

4. Technical back up required for participatory planning and the sources from where the same will be available.
5. Devolution of funds
6. Organisational framework

Viabie Unit for Area Planning

58. Probably, it needs no explanation that each and every village can not be a viable unit for planning. For any economic activity we require a minimum number of actors and several linkages which come from outside also. In the context of employment generation also a single village will not be a suitable unit where gainful work can be provided to all those who seek employment. Therefore, we have to think of an areal unit larger than the village. For identification of an areal unit for planning, several approaches have been put forward. One of the approaches generally followed by spatial planners or regional planners, envisages identification of central places (growth centres, service centres, etc.) and delineate the planning unit on the basis of its hinterland.

59. Another approach, (advocated by Prof. VKRV Rao) called cluster approach, says that the unit area for planning should not be a village but a group of villages or a cluster of villages as the present villages are not viable planning units. Accordingly, the primary planning units and their delineation should naturally depend on factors which bring viability to the clusters, induce motivation and participation in development programmes among its inhabitants and help to gain a larger if possible self sufficiency within the cluster.

60. The formulation of planning clusters should also aim at developing horizontal integration among the constituent villages and vertical integration with larger places and markets outside the cluster. In the context of delineation of primary planning, geographical contiguity, though essential, should not be the only consideration. There should exist interactions among the constituent villages for formulating a unit instead of assuming interactions to develop among them in course of time as development takes place, because the change in the spatial preferences is a slow process in the rural set up. The interactions among different villages take place for the various purposes such as social, religious service, marketing, employment, education, etc. A comprehensive knowledge of these movements or contacts among villages is vital for identifying the minimal area for planning.

61. The present availability of amenities and facilities or services and their distribution in rural areal and the norms for providing them play a vital role in identifying the size of the cluster. The cluster should have within them at least the basic amenities and services which help to stimulate the development process.

62. The conclusion which emerges is that we need a functional economic area or a unit for intergrated planning and this would depend on the larger area we have selected for development planning. It is, however, obvious that the unit area should consist of 10-15 villages and the total pupulation may also range between 15,000 to 20,000. The idea is that the total area should be covered within a radius of 10 to 15 km. around the central place so that local residents who come to the central place may commute the distance conveniently by bicycles.

Scope and Content of Local Area Plans

63. In the operationalisation of integrated area planning at the level of village clusters, the precise delineation of the scope and content of plans is crucial. It would be prudent to select for such plans those activities only which are or can be located in the unit area for planning and their benefits are also confined to the same area. In addition to this, the scope of planning functions at the local level should be defined by the size of geographical area and the possibility of effectively handling of quantitative and qualitative appraisal of its human and material resources. However, the inter-relationship with other areas and all the externalities will also have to be taken into consideration. Thus, the local area plans have to be integrated with the development of individual villages in the cluster on the one hand and with that of the block and the district on the other.

64. It may be difficult to prepare a full check list of the various types of activities to be planned at the local level as different areas would have different problems and resources. The only thing which can be attempted is the identification of sectores/sub-sectores which should be within the domain of local area planning. This list is illustrative rather than exhaustive. These sectors or sub-sectores are:

- (1) Agricultural and allied activities
- (2) Minor irrigatin
- (3) Soil conservation and water management
- (4) Social forestry
- (5) Animal husbandry and poultry
- (6) Fisheries
- (7) Agricultural processing
- (8) Organising delivery of inputs like seed, fertiliser, pesticide, credit, agricultural implements, etc.
- (9) Cottage and Small Scale Industries
- (10) Local Infrastructure
- (11) Social services including drinking water supply health and nutrition, education, housing, rural sanitation local transport and other welfare activities
- (12) Training of local youth and upgrading of skills of local population

(13) Special programmes for raising the socio-economic status of women

**Replicable methodologies
for local level planning**

65. Since the accent is on involving more effectively the local people or PRIS in planning and implementation, it is of paramount importance to develop simple methodologies which can be adopted by the local people even if their literacy levels are not very high. The need would be to develop simple methods of surveys of assessment of needs, preparation of resource inventory, objective setting, programme formulation monitoring and evaluation. Those methods should be evolved on the basis of participatory approach and should take into consideration the participation of majority of population so that their felt needs are reflected in the plan. The main emphasis should be on equitable sharing of benefits and on ensuring that maximum benefit goes to weaker and under-privileged sections of society. These methodologies would also have to be documented in simple local language and simple but comprehensive guidelines and manuals for local area planning would be required to be prepared.

**Technical back up for
Panchayati Raj Institutions**

66. This is most crucial factor to the success of local level planning. If we look at the current status of knowledge and skills of area planning, we find that despite the fact that decentralised micro-level planning was started quite some time back, yet no sound and widely accepted methodology for decentralised planning could be developed so far. Consequently, no worthwhile area plan has come up so far.

67. The problem of developing methodology would be more acute at the local level because the lower you go, the more complex and complicated is the planning process. There is direct participation of the people in plan formulation and implementation at these levels. In a situation where we are still making experiments in the area of developing methodologies for decentralised district planning it is too much to expect that the local people's representatives by themselves would be able to prepare some kind of a plan or project. Some outside technical support in these aspects may be required for quite some time. Nevertheless, it would be important to initiate the process and build up skills for plan formulation at the people's level gradually but assiduously.

68. One of the alternatives may be that for the time being or till such time as the local people become conversant with the requisite techniques, a team of officials and experts in close consultation with local people may prepare local area plans and present before the same to two or three alternative plans. The

local people may then be asked to select the best alternative. Subsequently, the alternative (plan) accepted by the people may be handed over to them for implementation.

69. However, this may not serve the interests, of the local people because they would remain dependent on outside support for preparation of their own plans/projects. It seems, advisable, therefore, that we should try to develop these skills at the local level. For this purpose, a team of local level official as well as non official functionaries would have to be constituted.

70. The government functionaries such as village development officer, village panchayat officer and primary school teacher from the official side may be selected. From the non-official side we have to identify some progressive farmers, village pradhans and representative of a voluntary agency, if there is one in the area. We may have to search of some committed and devoted workers (activists) who have knowledge of the area and are enlightened and equipped for such jobs. We may be able to find some retired people who have settled in villages. These functionaries would need some kind of training before we start any major activity under local area planning.

71. What is advisable, therefore, is that in the first instance some peripatetic teams would have to be constituted which may prepare plan alternatives in collaboration with the village level functionaries. The local official functionaries would need intensive training and joint training programmes for official and non-official functionaries may be organised. The training programmes would have to be organised in a decentralised manner and number of trainers would have to be trained so that they can be deployed to transfer the skills to the local level planners. The training manuals would also have to be prepared for this purpose incorporating methodologies to be followed at different levels.

Devolution of funds for local area planning

72. As mentioned earlier, the local area plans would be integrated with the plans of higher level aeral units. It implies that the entitlement of funds for the local aeral unit will have to be workded out. For this purpose, it would be necessary, first of all, to identify schemes which are being implemented in that particular area and the financial allocations available for the same. In the next stage, some scientific formula for devolution of funds would have to be evolved to calculate the entitlement of the local area. Out of the allocations for the block and the district.

73. Since intergrated local area planning has been conceived as a participatory process, it would also be necessary to mobilise community resources, It will provide a sense of ownership to the local community and the community will have some

stake in the implementation of projects/plans prepared at the local level. Participatory planning in its real sense implies participation of the people in mobilisation of resources also. It would be difficult in the beginning to motivate people to contribute some resources by way of finances or labour because for a long period they have been addicted to depending on government grants, and subsidies. One of the primary objectives of participatory planning is to have self-sufficiency and this can not be achieved unless people come forward to mobilise their own resources for local development. It is also believed that if the local area plans reflects felt needs and aspirations of the people, they will as well come forward to share the cost of local plan also according to their capacity.

74. The local area planning would attempt to change the entire texture of planning from government planning supported by people to people's planning supported by the Government,

Organisational Framework

75. The organisational framework required for the provision of above inputs (pre-requisites), is most crucial to the successful implementation of a concept which is radically different from the one being adopted so far. This process which involves delicate human relationships and inter-linkage between different institutions and government agencies needs to be pursued very cautiously. It would not be advisable to proceed in hurry and try to cover all the aeral units which we may identify for local planning. The better course would be to take up some selcted pockets for area planning on pilot basis and try to implement the package described above. On the basis of experience gained in the selected areas, integrated area planning may be extended to other area in a graduated manner and then finally to the entire State.

76. Naturally, a sound organisational framework would be required to carry out the various activities involved in this new effort. First of all, we would need back up support for local area planning at the State level. Since the State Planning Commission is the apex body for planning in the State, it would need to be geared and strengthened suitably to take up this job. For this purpose, a small powerful cell for integrated local area planning would have to be created. This cell should be headed by a specialist who has extensive experience of preparing integrated plans for various aeral units and is committed to decentralised participatory planning. The specialist should be assisted by a multi disciplinary team having experts from core disciplines. The specialist and its team should also have sufficient experience and insight into the field of training and working with the people. The cell should also have the maximum freedom of associating outside experts/consultants renowned for their work in the area of decentralised planning.

77. This team together with outside consultants can select some area for local planning. In the first instance, some blocks may be selected where this team would go, identify viable clusters for local planning, assist in formulation of a plan by PRIS and local people, worked out all the details and get the money allocated for its implementation by the people. The local team of planners would also be selected by this team. As soon as some workable methodology is developed, it would be tried in other areas. Based on this experience, training methodology would also be developed and a team of trainers would be identified who will in turn train the local people. In the earlier stage, it may not be possible to get the plans prepared entirely by the local people. Therefore, it would be appropriate that some alternative proposals are prepared in consultation with the people and get one of these selected by them as they deem the best. The cell in the State Planning Commission would also work out the entitlement of the local area from government funds and likely to be mobilized locally or from other sources. The additional outlays required would also be worked out by the above cell.

78. This process would be replicated in other areas and districts gradually. The plans/projects prepared by the people would have their focus on employment generation. In the whole scheme of local area planning, the emphasis would be on achieving a higher efficiency in the utilisation of existing capacities. The work would be organised in a manner so as to enlist maximum help and co-operation of local experts in this matter.

79. The integrated local area plans thus prepared in a phased manner will need not only organizational support but financial support also from the Government. The scale on which this financial support can be extended will depend on a variety of factors. The pattern and mode of funding these plans are matters which will be decided in due course. It is not possible to work out all these details at this stage. Pending finalization of these details a lumpsum outlay of Rs. 134 crores has been provided in state's Eighth Plan to make 'integrated local area plans' operational, as and when they are made in the desired manner. This amount represents only a small share of the total outlays involved in these plans. The balance share, which will be much larger than this will come from other sources to be identified in due course.

..*.*.*

APPENDIX-I

YEARWISE OUTLAY

(Rs. in crores)

Year	Total Plan Outlay	Outlay under District Plan	District Plan outlay as percentage of total outlay
1	2	3	4
PLAINS:			
1- 1982-83	1082.00	283.00	26.11
2- 1983-84	1235.00	339.00	27.45
3- 1984-85	1436.00	349.00	24.31
4- 1985-86	1573.00	385.00	24.48
5- 1986-87	1945.00	442.00	22.70
6- 1987-88	2395.00	503.00	21.00
7- 1988-89	2431.00	543.00	23.34
8- 1989-90	2671.00	649.00	24.30
9- 1990-91	3053.05	730.00	23.91
HILLS:			
1- 1982-83	120.00	63.00	52.50
2- 1983-84	140.00	73.00	52.23
3- 1984-85	165.00	87.00	52.88
4- 1985-86	177.00	95.00	53.40
5- 1986-87	205.00	107.00	52.06
6- 1987-88	235.00	119.00	50.57
7- 1988-89	260.00	130.00	50.12
8- 1989-90	300.00	155.00	51.81
9- 1990-91	330.00	180.00	54.55
PLAINS AND HILLS			
1- 1982-83	1202.00	345.57	28.74
2- 1983-84	1375.00	412.16	29.57
3- 1984-85	1601.00	436.38	27.25
4- 1985-86	1750.00	479.52	27.40
5- 1986-87	2150.00	548.30	25.50
6- 1987-88	2630.00	621.84	23.65
7- 1988-89	2691.00	672.80	25.01
8- 1989-90	2971.00	804.37	27.06
9- 1990-91	3383.05	910.00	26.90

APPENDIX-II

FORMULA FOR ALLOCATION OF OUTLAYS

PLAIN DISTRICTS

Index		Percentage allocation
1		2
1-	Total population	50
2-	Population of Scheduled Castes and Scheduled Tribes	05
3-	Number of marginal farmers and landless labourers	10
4-	Backwardness in:	
	[a] agricultural production	05
	[b] industrial production	05
	[c] roads	05
	[d] number of beds in hospitals	05
	[e] electrified villages	05
	[f] drinking water	05
		95*

* The remaining 5 percent outlay has been set aside for special problems or any other anomalies that may arise from time to time. In order to encourage the districts in the resource mobilisation, 3 percent of the remaining 5 percent of the outlay is allocated to the districts on the basis of their performance in national saving's programme.

Before allocating outlay to the Hill districts, 10 percent of it is kept as reserve for meeting contingencies. The remaining outlay is distributed amongst the Hill districts on the basis of the following formula:-

HILL DISTRICTS

Index		Percentage
1		2
1-	Total population	50
2-	Population of scheduled castes & scheduled tribes	05
3-	Number of landless labourers & marginal farmers.	10
4-	Backwardness in :	
	[a] Agriculture	05
	[b] Industrial development	05
	[c] Electrified villages	05
	[d] Number of beds in allopathic hospitals/dispensaries.	05
	[e] Number of scarcity villages	05
	[f] Geographical area	05
	[g] Effective Forest cover	05
	Total	100

APPENDIX-III

SECTORAL OUTLAYS FOR EIGHTH FIVE YEAR UNDER DISTRICT SECTOR

(Rs. in '000)

SECTORS	EIGHTH PLAN OUTLAY					
	1990-95	1990-91	1991-92	1992-93	1993-94	1994-95
1	2	3	4	5	6	7
1- Agriculture	391832	56665	61494	79923	91339	102411
2- Horticulture	253354	30000	48065	55100	57860	62329
3- Cane development	137268	17700	23102	28724	31932	35810
4- S.M.F.P.	3203929	563437	523284	611295	700218	805695
5- Animal Husbandry	577435	65752	93662	119962	141392	156667
6- Fisheries	131643	18624	24659	26832	29124	32404
7- Forest	2288544	360000	367784	454698	519364	586698
8- Cooperative	95645	22501	16346	19242	18712	18844
9- I.R.D.P.	4452153	693333	728000	856598	1000653	1173569
10-D.P.A.P.	267212	45825	46497	54167	59020	61703
11-J.R.Y.	5927111	967101	980000	1121174	1316126	1542710
12-Land Reforms	18691	4098	2711	3359	3928	4595
13-Panchayati Raj	883943	83038	134620	193683	222988	249614
14-R.D.(C.D.)	907119	97500	193209	229329	215510	171571
15-P.M.I.	300606	38524	54613	66943	70197	70329
16-S.M.I.	2684475	391394	353841	573427	634363	731450
17-Power	301103	32500	40517	61093	77746	89247
18-Village&Small Industries	592036	79900	98341	122407	136608	154780
19-Roads & Bridges	10665740	1218099	1491809	2123743	2592806	3239283
20-Tourism	78197	3500	16688	19022	18180	20807
21-Survey & Statistics	26101	1320	3450	5117	7485	8729
22-General Education						
(1) Primary Education	3451000	717594	506171	650169	732544	844522
(2) Secondary Education	875254	85439	91333	199475	234991	264016
(3) Adult Education	183941	31300	33997	38156	39282	41206
23-Technical Education	120882	27347	21574	24100	24830	23031
24-Sports	292951	56977	46216	71100	70624	48034
25-P.V.D.	254930	25000	38393	59646	61544	70347
26-Medical & Public Health						
(1) Allopathic	3497757	474410	480323	710891	862262	969871
(2) Ayurvedic&Homoeopathic	541626	43404	71316	108918	141919	176069
27-Rural water supply:						
(a) Jal Nigam	2561523	328235	353650	498829	633054	747755
(b) Rural Development	520609	69500	88340	99220	122095	141454
28-Housing:						
(a) Pooled Housing	542338	55305	71534	118647	133586	163266
(b) Non plan Buildings(Rev)	480600	53427	80340	115587	125326	105920
(c) Rural Housing(Rev.)	11326	1950	2250	2050	2365	2711
(d) Rural Housing(R.D.)	1254882	222000	205564	246446	274987	305886
29-Information & Publicity	16161	480	1778	4347	4526	5030
30-Welfare of SC/ST & BC	803447	57620	93340	185755	212763	253969
31-Labour Welfare	130160	142	744	42629	43061	43584
32-Employment	41285	5901	6806	8673	9279	10626
33-Craftsmen Training	283837	28500	43954	62230	63263	85890
34-Social Welfare	1214995	168497	209602	249071	273979	313846
35-Nutrition-Social Welfare	513700	56161	68528	103150	131829	154032
36-Dairy Development	445963	...	85847	134041	111203	114872
37-Untied funds	276696	...	95708	41032	45137	94818
TOTAL	52500000	7300000	8000000	10600000	12300000	14300000

CHAPTER VII

MINIMUM NEEDS PROGRAMME

Starting with Fifth Five Year Plan, the 'Minimum Needs Programme' has been built into successive plans as a part of nation's commitment to the objective of social justice which, among other things, requires provision of the more basic amenities of life to the poorer sections of the society and improvement in their quality of life. The concept has been introduced not so much for building an egalitarian society as for securing, amongst more compelling needs of socio-economic development, a reasonable share of investment on human resource also, particularly for a large segment of the population which is deprived of these basic amenities and consequently unable to realize fully its potentials of productivity and development.

2. To this extent, therefore, this programme is an investment for human capital formation. It is for this reason that the 'Approach to Eighth Plan' has laid special emphasis that programmes which secure satisfaction of basic needs of common man should be given high priority.

3. The 'Minimum Needs Programme' has also received high priority in state's Eighth Plan. The outlay for this Programme in this plan is Rs. 3563 cr. which is 15 per cent of the total outlay of the plan and 146 per cent more than the outlay earmarked for the same in Seventh Plan.

4. There are ten items in this programme. The objectives of each of these and physical and financial Programme for them in Eighth Plan are given in Annexure I & II.

5. Although, the details of different items included in this programme are given in sectoral concerned reviews, a brief description of these items is given in the subsequent paragraphs also.

ELEMENTARY EDUCATION

6. The objectives are to achieve during Eighth Plan, universal education for boys and girls in the age group 6-10 years (class-I to V) and 60 percent coverage for children of 11-13 years (class-VI to VIII), and to raise the literacy rate to 50 percent. The following programmes will be taken up for this purpose :

Adequate coverage of villages with junior and senior basic schools

7. With a view to provide one junior basic school for every village within a radius of 1.0 km in plains and for inhabitants of 300 or more population in hills and one senior basic school for every village with a population of 800 and above in a radius of 3 km, 5010 junior basic schools and 1033 senior

basic schools will be opened during Eighth Plan, raising their number from 74277 and 14549 at the end of Seventh Plan to 79287 and 15582 respectively at the end of Eighth Plan.

Construction of buildings for
Junior & Senior Basic Schools

8. There were 5086 junior basic schools and 1600 senior basic schools without their own buildings at the end of Seventh Plan. The programme in the Eighth Plan is to construct 1065 buildings for junior basic schools and 1536 buildings for senior basic schools.

Enrolment of boys and girls

9. The enrollment at the end of Eighth Plan is estimated to be as shown below :

Table-1
Enrolment in Junior and Senior Basic Schools
(000'Nos.)

Age group	1989-90			1994-95		
	Popula- tion	Enrol- ment	Percent age	Popula- tion	Enrol- ment	Percent age
1	2	3	4	5	6	7
<u>6-10+ Years</u>						
Boys	8687	9120	100	10298	10298	100
Girls	8029	4898	58	9518	9518	100
Total	16716	14018	80	19816	19816	100
<u>11-13+ Years</u>						
Boys	4931	3017	58	5846	4412	75
Girls	4350	1141	25	5156	2210	43
Total	9281	4158	43	11002	6622	60
<u>6-13+ Years</u>						
Boys	13618	12137	89	16144	14710	91
Girls	12379	6039	49	14674	11728	80
Total	25997	18176	70	30818	26438	86

ADULT EDUCATION

10. During the sixth and seventh five year plan period, a total number of 71.69 lakh illiterates in the state benefited

from this programme. Taking into consideration the average growth rate of population in 15-35 years age-group, the projected figure of adult illiterates, by the year 1995 is estimated to be 228 lakhs.

11. Adult literacy programme is being carried on through different projects. Each project contains 300 centres covering three development blocks and each centre enrolls 30 participants. At present, the programme is being run through the following agencies :

- (a) Centrally sponsored Rural Functional Literacy Programme with 63 projects.
- (b) State Adult Education Programme (SAEP) with 30 projects. This number is likely to be raised to 57 during 1990-91.
- (c) Universities under UGC Programme; and
- (d) Voluntary agencies.

12. With a view to achieve the objectives of providing non-formal education to 50 percent illiterates in the age-group 15-35 years and raising the rate of literacy from 27.16 percent (1981) to 50 percent at the end of Eighth Plan, the programme of Adult Education, currently being administered through 93 projects in the State by different agencies, will be expanded to cover 114 lakh persons during Eighth Plan. The programme is to cover 12.90 lakh participants in 1990-91 and 13.98 lakh participants in 1991-92.

RURAL HEALTH

13. According to 1981 census, 82.1 percent of State's population is rural. The quality of life in context of health care can better be judged by the indicators like birth rate, death rate and infant mortality rate. In the year 1988 the birth rate, death rate per thousand population and infant mortality rate per thousand live births in the State was 37.1, 13.2 and 124 as against all-India average of 31.5, 11.0 and 94 respectively. In fact, this state is much behind many states in the country in the field of health care facilities.

14. The objective of "Health for all by 2000 AD" can be achieved in this State only if the whole network of institutions for health-care operates properly in rural areas. The requirement of these units assessed on a normative basis against projected population for Eighth Plan, the units already opened and the units proposed to be opened in the Eighth Plan are given in Table - 2.

Table - 2
Opening of Health Centres in Eighth Plan

(Numbers)

Institution	Require- ment	Opened upto 1984-85	Opened upto 1989-90	To be opened in Eighth Plan	Balance
1. Sub-centres	24,153*	15,653	20,153	4,000	Nil
2. Primary Health Centres	4,000**	1,169	3,000	1,000	Nil
3. Community Health Centres	1,000***	74	177	205	618

15. Another component of this programme, apart from opening of these centres in rural areas, is the construction of buildings for them. The targets for the construction of these buildings are as shown below :

TABLE - 3
Construction of Buildings for Health Centres
(Numbers)

Item	Position of Buildings upto 1989-90		Targets for Eighth Plan for Buildings		
	Comple- ted	Incomp- lete	Spill- over Bldgs.	New Const- ruction	Total
(1)	(2)	(3)	(4)	(5)	(6)
1. Sub-centres	4688	699	699	2186	2885
2. Primary Health Centres	893	97	97	558	655
3. Community Health Centres	214	70	70	185	255
T O T A L	5795	866	866	2929	3795

1. * According to the norm of having one centre for a population of 5,000 in plains and 3000 in hills.

** According to the norm of having one centre for a population of 30,000 in plains and 20,000 in hills.

*** At a rate of about one centre for 4 PHCs.

RURAL WATER SUPPLY

16. The objective is to provide one or more than one source of safe drinking water to each village, depending upon the number of persons to be served. Of late, India Mark-II handpumps are being preferred for this purpose.

17. While a large majority (95138) of the total 1,12,566 villages of the State have already been provided with source of potable water, the balance villages (17,428) will also be covered during Eighth Plan period. However, priority will be given to problem villages and depending upon availability of funds, efforts will be made to saturate villages with drinking water facility. The following table gives a complete picture of this programme :

TABLE - 4
Coverage of Villages Under Rural Water Supply Programme

Item	Total villages	Villages covered by the end of Seventh Plan	Balance villages to be covered during Eighth Plan		
			Total	Plains	Hills
(1)	(2)	(3)	(4)	(5)	(6)
A-Problem Villages					
1972 list	35506	35313	193	9	184
1985 list	42544	41121	1423	548	875
1987-88 list	27125	11840	15285	15231	54
TOTAL	105175	88274	16901	15788	1113
B-Non-problem villages					
	7391	6864	527	180	347
TOTAL (A+B)	112566	95138	17428	15968	1460

18. The targets included in Annual Plan 1990-91 and those proposed for 1991-92 are as follows :

Table - 5
Coverage of Villages under Rural Water Supply Programme during 1990-91 and 1991-92

Item	(Numbers)					
	Eighth Plan Target		1990-91 Target		1991-92 Target	
	Total	Plains	Total	Plains	Total	Plains
A-Problem Villages						
1972 List	193	9	51	9	80	-
1985 List	1423	548	719	398	170	-
1987-88 List	15285	15231	4651	4642	5040	5000
Total	16901	15788	5421	5049	5290	5000
B- Non-problem Villages.						
	527	180	3	-	10	-
Total (A+B)	17428	15968	5424	5049	5300	5000

19. The efforts made for provision of rural water supply in the manner explained above will also be supplemented by funds from Rural Development Department for Harijan Drinking Water Supply scheme. The targets proposed for this scheme are as shown below:

TABLE - 6
Harijan Drinking Water Supply Scheme
Physical Progress and Programme
(Number)

Item	Achievement by the end of Seventh Plan	Targets for Eighth Plan	Target	
			----- 1990-91	1991-92
(1)	(2)	(3)	(4)	(5)
1. Wells	50588	2000	1480	330
2. Diggis	5369	1000	150	160
3. Hand Pumps	28576	22000	4000	4500

RURAL SANITATION

20. A massive programme for the construction of sanitary latrines in rural areas is being taken up in Eighth Plan. Against 0.61 lakh latrines constructed by the end of Seventh plan, 10.88 lakh latrines are proposed to be constructed in Eighth Plan, of which 2.02 lakh latrines will be constructed during 1990-91 and 1.96 lakh latrines during 1991-92. The local community will be fully involved in this programme. Out of the estimated cost of Rs. 1500 per latrine (the same cost will be Rs. 1725 in hills and Bundelkhand), 20 percent of the expenditure will be met by the beneficiary and the balance 80 percent will be provided as subsidy which will be shared equally by the State Government and the Central Government.

RURAL ROADS

21. The objective of connecting all villages (22295) with a population of 1000 and above, with all weather roads, will be achieved by the end of Eighth Plan. Of the balance villages (90271), having a population of less than 1000, as many villages as may be possible will also be connected with link roads within the funds available for this purpose. While a large number of these villages may be connected in natural course as a result of connecting other villages, priority amongst the balance villages will be given to those villages whose population has crossed 1000 in the last census of 1981 and such villages where the population of scheduled castes/scheduled tribes is 50 percent or more.

22. The details of this programme are explained in the following table :

Table - 7
Position of Villages connected with Link Roads
(Numbers)

Item	Total villages	Number of villages connected upto Seventh Plan	Balance villages	Target		
				----- Eighth Plan	1990-91	1991-92
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Villages with population of 1500 and above	10,899	10,413	486	486	454	10
2. Villages with population of 1000-1499	11,396	6,522	4,874	4,874	501	860
Sub-Total (1+2)	22,295	16,935	5,360	5,360	955	870
3. Villages with population of less than 1000	90,271	31,483	58,788	785	101	143
Total	1,12,566	48,418	64,148	6,145	1056	1013

RURAL ELECTRIFICATION

23. As against electrification of 71 per cent villages (80358) only by the end of Seventh Plan, it is proposed to electrify all the villages by the end of the Eighth Plan. The balance villages to be thus electrified during Eighth Plan are 32,208. The estimated requirement of funds for the purpose including expenditure on transmission and distribution is Rs. 1100 crore. However, the outlay for this programme is Rs. 280 cr. only. But it is expected that with additional support from State Normal Programme, Normal Programme of Rural Electrification Corporation and 'Special Programme of Agriculture (S.P.A.)', it will be possible to achieve this objective. A number of states have already electrified all their villages.

24. Against the Eighth Plan proposed target of electrification of 32,208 villages, 2624 villages will be electrified during 1990-91, and 2075 villages during 1991-92, by Central Electricity Authority (CEA) definition through all sources.

RURAL HOUSING

25. The objective is to provide suitable residential accommodation to rural poor. Apart from providing land (84 to 125 sq.m.) for construction of houses, subsidy is also being given by the Government to the rural poor for this purpose. In addition to 22.41 lakh persons already given land for this purpose by the end of Seventh Plan, 2.50 lakh more persons will be given required land in Eighth Plan also. Similarly, against 5.53 lakh houses constructed under this scheme by the end of Seventh Plan, 5 lakh houses will be constructed in Eighth Plan.

26. The funds required for the construction of a house will be arranged in the following manner.

Table - 8
Pattern of Financing the Cost of a House

Source	(Rupees)			
	Scheduled castes and scheduled tribes		Other weaker sections	
	Plains	Hills & other difficult areas	Plains	Hills & other difficult areas
(1)	(2)	(3)	(4)	(5)
1. State subsidy	1000	1000	4500	6300
2. Institutional Finance	3000	3000	3000	3000
3. Contribution from Employment Programme	4000	5800	-	-
4. Beneficiary contribution	-	-	500	500
Total:	8000	9800	8000	9800

27. The total requirement of funds for this programme is Rs. 456.00 crore and the same is proposed to be mobilized in the following manner :-

TABLE - 9
Sourcewise Funds to be Mobilized for Rural Housing

Source	Rs. in Crore
1. State Subsidy	128.88
2. Institutional Finance	155.24
3. Contribution from Employment Programme	166.99
4. Beneficiary Contribution	4.73
T O T A L :	455.84

ENVIRONMENTAL IMPROVEMENT OF URBAN SLUMS

28. The programme includes provision of some basic amenities for persons living in slums in cities. The programme, currently confined to 65 towns only, will be extended to include another 87 towns in Eighth Plan. As against the estimated slum population of 55.10 lakhs in these 152 towns by 1994-95, 25.68 lakh persons have been covered by the end of Seventh plan. Of the balance 29.42 lakh persons, 12 lakhs will benefit from this programme during Eighth Plan. Of these, 2.10 lakh persons will be covered during 1990-91 and 2.80 lakh persons during 1991-92. The average per capita expenditure on provision of basic amenities will also be raised from Rs. 300 to Rs. 450 in this plan period.

NUTRITION

29. Under this programme, children of age-group 0-6 years suffering from mal-nutrition and under-nutrition are provided with nutrition of about 250-300 calories with 10-12 grams of protein for about 300 days in a year. The pregnant women and nursing mothers are also provided with nutrition of about 500 calories and 25 grams of protein for 300 days in a year.

30. In this state, 230 ICDS projects had been established and through these projects 11.84 lakh beneficiaries were covered by the end of 1989-90. These projects do not include 83 projects sanctioned during 1989-90 but are to be established in 1990-91. Out of these 230 projects, 8 projects were under state sector and 222 projects under central sector, establishment cost of which was the responsibility of the Central Government. The nutrition food distributed through these projects was made available through sources viz. state plan, wheat based programme, world food programme, NORAD and CARE. The norm of coverage of beneficiaries per project is 8600. Each project consist of 100 centres and each centre is supposed to cover 84 beneficiaries and 2 workers.

31. It is proposed to set up 690 new projects during Eighth Plan period including 83 projects of 1989-90 through which 59.34 lakh beneficiaries would be covered. It is expected that 139 projects would be sanctioned by the Government of India during 1990-91 and 117 projects during 1991-92. The target to cover beneficiaries during 1990-91 is 19.09 lakh and that for 1991-92 is 29.15 lakh.

RURAL FUELWOOD PLANTATION

32. This programme has two components viz. (i) installation of smokeless or improved chullahas and (ii) rural fuelwood plantation.

33. The scheme of smokeless chullahas was introduced in 1983-84 as a centrally sponsored with hundred percent central assistance. During Seventh Plan period, 6,44,366 improved

chullahas were installed. Its extension and scope in the Eighth Plan will depend on the assistance from the Central Government. However, it is proposed to install 12,74,000 improved chullahas during eighth plan period out of which 2,10,000 will be installed in 1990-91 and 2,31,000 during 1991-92.

34. As regards the programme of rural fuelwood plantation, it is also a centrally sponsored scheme, expenditure of which is shared equally by the State Government and the Central Government. By the end of Sixth Plan, plantation was done in 15952 hectares. In the Seventh Plan, the area covered was 32,980 hectares.

35. It has now been decided to merge fuelwood plantation scheme and silvipastoral scheme, into one and rename it as fuel and fodder project. It is proposed to do plantation in 25,000 hectares during Eighth Plan period out of which 6,300 hectares will be covered during 1990-91 and 5,150 hectares during 1991-92.

CIVIL SUPPLIES

36. The programme includes coverage of all the districts under consumer protection scheme by setting up consumer disputes redressal forums. Currently, there are only 12 districts in which such forums are functioning. The forums for remaining districts have already been sanctioned and will be made operational in the very first year of Eighth Plan.

Annexure-I

Eighth Five Year Plan - Minimum Needs Programme
Physical Progress and Programme

Item	Objectives for Eighth Plan	Unit	1989-90 Level of achievement	Eighth Plan Target	1990-91 Target	1991-92 Target
1	2	3	4	5	6	7
I- Elementary Education						
1. Junior basic schools	100% coverage in age group 6-10 years	Nos.	74277	5010	2457	758
Enrolment (class 1-5)		Lakh Nos.	140.18	198.16	143.40	154.60
2. Senior basic schools	60% coverage in age group 11-13 years	Nos.	14549	1033	138	250
Enrolment (class 6-8)		Lakh Nos.	41.58	66.22	44.70	48.80
II- Adult Education	50% Coverage of illiterates					
Participants (15-35 Years)		Lakh Nos.	48.33	114.00	12.90	13.98
III- Rural Health	Health for all by 2000 AD					
Sub-centres		Nos.	20153	4000	444	2000
Primary health centres		Nos.	3000	1000	523	154
Community health centres		Nos.	177	205	19	49
IV- Rural Water Supply	100% coverage of villages					
1. Problem village						
a) 1972 list (35506)		Nos.	35313	193	51	80
b) 1985 list (42544)		Nos.	41121	1423	719	170
c) 1987-88 list (27125)		Nos.	11840	15285	4651	5040
Total (105175)		Nos.	88274	16901	5421	5290
2. Non-problem villages (7391)		Nos.	6864	527	3	10
Total villages (112566)		Nos.	95138	17428	5424	5300
3. Harijan Water Supply						
a) Handpumps		Nos.	28576	22000	4000	4500
b) Wells		Nos.	50588	2000	1480	330
c) Diggis		Nos.	5369	1000	150	160

Annexure-I(Contd.)

Item	Objectives for Eighth Plan	Unit	1989-90 Level of achievement	Eighth Plan Target	1990-91 Target	1991-92 Target
1	2	3	4	5	6	7
V- Rural Sanitation	Providing privacy and dignity to women in rural areas					
Latrines constructed		Lakh Nos.	0.61	10.88	2.02	1.96
VI- Rural Roads	100% coverage of villages having population of 1000 or more					
Villages having population of :						
1. 1500 and above (10899)		No.	10413	486	454	10
2. 1000 to 1499 (11396)		No.	6522	4874	501	860
3. Less than 1000 (90271)		No.	31483	785	101	143
VII- Rural Electrification	100% coverage of villages					
Village electrification						
MNP		No.	14231	8045	1400	1010
Total		No.	80358	32208	2624	2075
VIII- Rural Housing	Covering all rural landless labourers and providing shelter to rural poor people					
1. Allotment of house-sites						
Families benefitted		Lakh Nos.	22.41	2.50	0.50	0.50
2. Construction assistance (Construction of houses)		Lakh Nos.	5.53	5.00	1.00	1.00
IX- Environmental improvement of urban slums	Providing basic amenities to slum dwellers					
Beneficiaries		Lakh Nos.	25.68	12.00	2.10	2.80

Annexure-I(Concl'd.)

Item	Objectives for Eighth Plan	Unit	1989-90 Level of achievement	Eight Plan Target	1990-91 Target	1991-92 Target
1	2	3	4	5	6	7
X- Nutrition	Covering pre-school going children, pregnant women and nursing mothers suffering from mal-nutrition and under nutrition					
Projects		No.	230	690	139	117
Beneficiaries		Lakh Nos.	11.84	59.34	19.09	29.15
XI- Rural Fuelwood Plantation	Meeting fuel wood fodder and small timber requirements of rural people and thereby avoiding deforestation and improving environmental conditions					
Area covered		ha.	48932	25000	6300	5150
Smokeless chullahas		Lakh Nos.	6.44	12.74	2.10	2.31
XII- Public Distribution System	Resolving consumer problems					
District Forums		No.	63	63	63	63

Annexure-II
Eighth Five Year Plan - Minimum Needs Programme
Financial Progress and Programme

(Rupees in lakh)

Programme	Seventh Plan		Eighth Plan	1990-91	1991-92	
	Outlays	Expenditure	proposed outlay	Outlay	Allocated by State Govt.	Proposed outlay
	2	3	4	5	6	7
1. Education						
(a) Elementary Education	26485	27187	50562	8990	9972	6492
(b) Adult Education	2375	1607	2624	475	627	694
Sub-Total (I)	28860	28794	53186	9465	10599	7186
2. Rural Health	15141	14452	53537	5400	7842	8101
3. Rural Water Supply and Sanitation						
(i) Rural Water Supply						
(a) Jal Nigam	27270	26858	47500	7655	8882	7300
(b) Rural Development Department	2251	2295	5250	745	745	934
(c) Advance Plan Assistance	-	2111	-	-	-	-
Sub-Total(a+b+c)	29521	31264	52750	8400	9627	8234
(ii) Rural Sanitation	315	329	7125	400	1015	1194
Sub-Total(3)	29836	31593	59875	8800	10642	9428
4. Rural Roads	59537	56665	135316	12800	16294	18078
5. Rural Electrification	12700	15903	28000	2900	3000	3700
6. Rural Housing						
(a) Allotment of House sites	222	101	125	25	25	23
(b) Construction Assistance	5960	7418	13500	3330	3330	2306
Sub-Total(6)	6182	7519	13625	3355	3355	2329
7. Environmental Improvement of Urban Slums	2200	2390	5350	790	790	850
8. Nutrition	6526	6049	5175	736	780	840
9. Rural Fuelwood and Fodder Development Project	1085	946	1709	144	249	283
10. Civil Supplies	147	46	550	74	74	104
Total	162214	164357	356323	44464	53625	50899

CHAPTER VIII

INVESTMENT AND OUTLAYS

The earlier chapters in this volume briefly describe salient features of State's economy, the past trends and future course of growth in the economy, the more pressing problems of the state with particular reference to the high incidence of poverty and unemployment and the reduction likely to take place in the same during the next few years, the objectives and overall strategy of the plan and some significant changes proposed in the planning process. It is in this background, and more particularly the tasks and targets of the Eighth plan that an attempt has been made in this chapter to describe investment requirement of the plan and its deployment.

2 As already explained in the earlier chapter on "Development Perspective", the aggregate investment required for achieving the targeted growth rate of 6 per cent in Eighth Plan works out to Rs.60,000 crore, out of which Rs.25,000 crore (42%) will be in public sector and the balance Rs.35,000 crore (58%) will flow into economy from institutional finance and other sources including central investment in its non-departmental undertakings and private and corporate savings. A break up of this investment is given below :

Investment from Sources other than Public Sector

<u>Source</u>	<u>Amount (Cr.Rs.)</u>
1. Institutional finance (72%)	25,000
2. Share of private and corporate savings (14%)	5,000
3. Central investment in its public undertakings (14%)	5,000
Total	<u>35,000</u> -----

3 The allocation of this investment amongst different sector is shown below :

Major head of Development	Investment from Private and other Sources (Cr.Rs.)
1. Agriculture and allied activities	6,000 (17.1%)
2. Rural development and special programmes	2,000 (5.7%)
3. Industry and minerals	23,000 (65.8%)
4. Housing	4,000 (11.4%)
Total	<u>35,000</u>

4 The pattern of investment envisaged for the Eighth plan does not follow the past trends. As stated earlier the share of public sector investment used to be in general higher than the share of investment from other sources. But in the situation of severe resource crunch which the state is facing currently, it will not be possible to mobilize the aggregate investment on the old pattern. The share of investment from other sources including institutional finance will have to be raised by achieving a higher credit-deposit ratio than before. It is for this reason that the shares of investments from these two sources have been reversed for the Eighth plan. This is a conscious decision and our future efforts should be channelized in a direction so as to conform to this pattern of investment in Eighth plan.

5 Apart from the rationale given earlier in support of State's public sector investment on the basis of ICOR observed in the past, there is another reason also which justifies this investment. The share of Uttar Pradesh in the outlay for all the states put together in different plans ranged from 13 to 15 per cent. Based upon these past shares only, the state's outlay in all-states outlay of Rs.152,000 indicated for Eighth plan works out to Rs.23,000 cr. This is the minimum entitlement of the state, going by past trends. However, if some consideration is shown to the backwardness of state and its share (16.2%) in the total population, the size of its Eighth plan for Rs.25,000 cr. is more than justified. The question as to how a plan of this size can be funded is for the planners at the centre and in the state to decide together. As far as the state is concerned, it will not be found wanting in meeting its contribution to this effort.

6 The next logical step is to work out an allocation of proposed outlay which is compatible with the objectives and targets of Eighth plan as described in an earlier chapter. The

1. Annexure-I

sectoral break-up of this outlay is given in Annexure-II. The following table gives this break-up in terms of 'Major Heads of Development':

Table : 1

DISTRIBUTION OF OUTLAY

(Re. in Crore)

MAJOR HEAD OF DEVELOPMENT	SEVENTH PLAN APPROVED OUTLAY	EIGHTH PLAN OUTLAY	PERCENTAGE INCREASE
1	2	3	4
I. AGRICULTURE AND ALLIED ACTIVITIES	892	2557	186.7
	8.1%	10.4%	
II. RURAL DEVELOPMENT	626	1553	148.1
	5.7%	6.3%	
III. SPECIAL AREA PROGRAMMES	19	352	1752.6
	0.2%	1.4%	
IV. IRRIGATION & FLOOD CONTROL	2246	3011	34.1
	20.4%	12.3%	
V-ENERGY	3458	7172	107.4
	31.4%	29.2%	
VI-INDUSTRY & MINERALS	627	1348	115.0
	5.7%	5.5%	
VII-TRANSPORT	1158	2715	134.5
	10.5%	11.1%	
VIII-COMMUNICATIONS	0	0	
IX-SCIENCE TECHNOLOGY & ENVIRONMENT	15	44	193.3
	0.1%	0.2%	
X-GENERAL ECONOMIC SERVICES	66	210	218.2
	0.6%	0.9%	
XI-SOCIAL SERVICES	1779	5503	209.3
	16.2%	22.4%	
a) Education	387	1624	319.6
	3.5%	6.6%	
b) Medical & Public Health	314	916	191.7
	2.9%	3.7%	
c) Water Supply & Sanitation	432	1129	161.3
	3.9%	4.6%	
d) Other Social Services	646	1835	184.1
	5.9%	7.5%	
XII-GENERAL SERVICES	114	70	-38.6
	1.0%	0.3%	
GRAND TOTAL	11000	24535	123.0
	100.0%	100.0%	

7 It will be seen that the sectors in which the shares of outlays in Eighth plan are substantially higher than their shares in Seventh plan include those of Social services, Agriculture and allied services and Special area development programmes. This is indicative of the new thrust in this plan on social development and development of backward regions. The increases are in Crop husbandry (200.7%), Animal husbandry (236.1%), Dairy development (353.9%), Fisheries (368.8%), Village and small industries (215.3%), Tourism (269.9%) and Labour and employment (1421.6%).

Similarly, the outlay of Social services sector is about 209 per cent more than the corresponding outlay in the seventh plan.

8 The capital component, comprising a share of Rs.17,000 cr. in public sector and Rs.35,000 cr. in investment from other sources, is about 87% (Rs.52,000 cr.) of the aggregate investment. The share of capital component in public sector investment is about 70% only as shown in Annexure-III. This is undoubtedly less than what is desirable and efforts will continue in the course of the plan period to curb revenue component and raise the share of capital component in public sector investment also.

9 The complete plan of a state is a composite of different kinds of schemes like state's own scheme and centrally sponsored schemes, in addition, there are externally aided projects and schemes being run under the Minimum needs programme. A break up of the shares of these components is shown in Annexure-IV. Out of the total outlay only about 58% is left with the state for its schemes. The share of centrally sponsored schemes is 10.1 per cent and externally aided projects is 17.5 percent. About 63 per cent of this 17.5 per cent is reimbursible. High priority is being given to Minimum Needs Programme and accordingly its share in the state's plan has gone up from 13 per cent in the seventh plan to about 15 per cent in the Eighth plan. Breakup by Major Head of Development is given in table below :

Table 2
CLASSIFICATION OF OUTLAYS DURING EIGHTH FIVE YEAR PLAN (1990-95)

MAJOR HEAD OF DEVELOPMENT	(In percent)							
	CATEGORY-I				CATEGORY-II		CATEGORY-III	
	CENTRALLY SPONSORED SCHEMES (STATE SHARE)	MINIMUM NEEDS PROGRAMME	EXTERNALLY AIDED PROJECTS	REST	ONGOING SCHEMES	NEW SCHEMES	CAPITAL	REVENUE
	1	2	3	4	5	6	7	8
1. AGRICULTURE AND ALLIED ACTIVITIES	21.18	0.67	20.51	57.65	89.40	10.60	15.51	84.49
2. RURAL DEVELOPMENT	66.47	0.00	0.00	33.53	90.30	9.70	6.41	93.59
3. SPECIAL AREA PROGRAMMES	41.16	0.00	0.00	58.84	54.60	45.40	41.16	58.84
4. IRRIGATION & FLOOD CONTROL	3.62	0.00	19.73	76.65	92.10	7.90	94.53	5.47
5. ENERGY	2.50	3.90	31.82	61.78	95.90	4.10	99.98	0.02
6. INDUSTRY & MINERALS	7.31	0.00	0.00	92.69	69.70	30.30	55.04	44.96
7. TRANSPORT	0.18	49.85	12.85	37.12	95.80	4.20	98.65	1.35
8. COMMUNICATIONS	0	0	0	0				
9. SCIENCE, TECHNOLOGY & ENVIRONMENT	2.76	0.00	0.00	97.24	100.00	0.00	37.43	62.57
10. GENERAL ECONOMIC SERVICES	0.00	2.61	0.19	97.20	78.90	21.10	45.70	54.30
11. SOCIAL SERVICES	6.61	34.66	10.02	48.71	95.10	4.90	49.80	50.20
a) Education	2.57	32.75	12.31	52.36	98.30	1.70	18.30	81.70
b) Medical & Public Health	5.04	58.47	6.45	30.04	83.80	16.20	69.02	30.98
c) Water Supply & Sanitation	6.31	53.05	6.04	34.60	100.00	0.00	100.00	0.00
d) Other Social Services	11.15	13.16	12.21	63.48				
12. GENERAL SERVICES	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00
GRAND TOTAL	247541 (10.09)	356323 (14.52)	430048 (17.53)	1419595 (57.86)	225826.00 (92.00)	195181.00 (8.00)	1700046.00 (69.29)	753461.00 (30.71)

10 Before concluding, it may be mentioned here that the investment proposed for the Eighth plan is at 1989-90 prices. While it is not possible to predict the rate at which inflation may take place during the plan period, it will also be unrealistic to assume that the prices will remain constant and that this investment, regardless of the rate of inflation, should enable the state to achieve the targeted over-all growth rate of 6% and other physical targets of the plan. The investment at current prices in the course of the plan should be able to take care of the rise in wholesale price index also, failing which there are bound to be shortfalls in targets of the plan.

11 While a part of the deficiency in investment arising out of the impact of inflation can be met, perhaps, by achieving greater efficiency in the use of capital, leading to a lower ICOR than what has been assumed for this plan, the inflation at present rates will certainly call for a still larger investment than the one worked out for the plan. Even a modest rate of inflation of 7% will raise the investment requirement for the plan from Rs.60,000 cr. to Rs.75,000 cr. with shares of public sector investment rising from Rs.25,000 cr. to Rs.31,000 cr. to Rs.44,000 cr.

12 There is no doubt that mobilizing an investment of this order is extremely difficult. With its present level of development, and low per capita income, the state cannot do much to mobilize this investment, without the centre playing a much more active role in this venture than before. A larger central assistance for the state, some special assistance for its more backward Eastern and Bundelkhand regions, a substantial increase in the share of the state in central investment in its public undertakings and a larger inflow of institutional finance both from scheduled commercial banks and all-India term lending institutions are some of the things which the centre must ensure for this state in this plan through suitable policy measures. Unless these inputs are forthcoming from the centre, this large state, comprising 16.2% of the country's population, will continue to remain backward and the present regional imbalances with their trail of adverse consequences for the growth and prosperity of the country, as a whole, will also remain unabated.

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ANNEXURE-I

OUTLAYS AND EXPENDITURE

(RS. IN CRORE)

PERIOD	INDIA						UTTAR PRADESH	
	OUTLAY			EXPENDITURE			OUTLAY	EXPENDITURE
	CENTRE #	ALL STATES	TOTAL	CENTRE #	ALL STATES	TOTAL		
1	2	3	4	5	6	7	8	9
FIRST PLAN (1951-56)	1405.40 (59.1)	972.60 (40.9)	2378 (100.0)	527.31 (26.9)	1432.69 (73.1)	1960 (100.0)	86.00 (8.8)	153.37 (10.7)
SECOND PLAN (1956-61)	2309.20 (51.3)	2190.80 (48.7)	4500 (100.0)	2556.84 (54.7)	2115.16 (45.3)	4672 (100.0)	253.00 (11.5)	233.36 (11.0)
THIRD PLAN (1961-66)	4187.41 (51.7)	3911.59 (48.3)	8099 (100.0)	4350.07 (50.7)	4226.93 (49.3)	8577 (100.0)	497.00 (12.7)	560.63 (13.3)
ANNUAL PLANS (1966-69)	3720.82 (55.1)	3036.18 (44.9)	6757 (100.0)	3506.09 (52.9)	3118.91 (47.1)	6625 (100.0)	450.71 (14.8)	455.32 (14.6)
FOURTH PLAN (1969-74)	9129.22 (57.4)	6772.78 (42.6)	15902 (100.0)	8104.42 (51.4)	7674.58 (48.6)	15779 (100.0)	965.00 (14.2)	1165.57 (15.2)
FIFTH PLAN (1974-79)	21018.78 (53.5)	18284.22 (46.5)	39303 (100.0)	19660.59 (49.9)	19765.41 (50.1)	39426 (100.0)	2286.00 (12.5)	2909.23 (14.7)
ANNUAL PLANS (1979-80)	6862.22 (54.5)	5738.78 (45.5)	12601 (100.0)	6042.85 (49.6)	6134.15 (50.4)	12177 (100.0)	810.00 (14.1)	833.54 (13.6)
SIXTH PLAN (1980-85)	50296.00 (51.6)	47204.00 (48.4)	97500 (100.0)	60810.10 (55.6)	48481.90 (44.4)	109292 (100.0)	6200.00 (13.1)	6482.91 (13.4)
SEVENTH PLAN (1985-90)	101903.00 (56.6)	78097.00 (43.4)	180000 (100.0)	138411.26 (62.3)	83752.74 (37.7)	2221648 (100.0)	10999.64 (14.1)	11948.72 (14.3)
EIGHTH PLAN (1985-95)	183000.00 (54.6)	152000.00 (45.4)	335000 (100.0)	-	-	2244778 (100.0)	24535.07 (16.1)	-

#- Includes union territories also.

9- Includes Rs.1175 crore and Rs.2606 crore as expenditure on works financed by Central assistance for relief from natural calamities in respective of five year plans.

Note:- Figures in brackets in col-3,4,5 & 6 percentage shares of totals and those in of 8 and 9, percentage shares of all states outlay (col.3) and all states expenditure (col.6).

ANNEXURE-II

EIGHTH PLAN (1990-95) SECTORAL OUTLAY

(Rs. in Lakh)

CODE NO	MAJOR/MINOR HEAD OF DEVELOPMENT	SEVENTH PLAN		EIGHTH PLAN OUTLAY	INCREASE OVER SEVENTH PLAN (IN PERCENTAGES)	
		APPROVED OUTLAY	EXPENDITURE		OUTLAY (COL.3)	EXPENDITURE (COL.4)
1	2	3	4	5	6	7
100000000	ECONOMIC SERVICES	910683	931846	1896171	108.2	103.5
		82.8%	78.0%	77.3%		
101000000	I. AGRICULTURE AND ALLIED ACTIVITIES					
101240100	Crop Husbandry	30063	41888	90401	200.7	115.8
101240200	Soil & Water Conservation	14250	17454	47900	236.1	174.4
101240300	Animal Husbandry	3525	8096	16000	353.9	97.6
101240400	Dairy Development	2240	3139	10500	368.8	234.5
101240500	Fisheries	1250	1360	2700	116.0	98.5
101240600	Forestry & Wild Life	18995	22110	44000	131.6	99.0
101240800	Food, Storage & Warehousing	966	781	19090	1876.2	2344.3
101241500	Agri. Research & Education	2447	3561	5350	118.6	50.2
101241600	Agri. Financial Institutions	2450	1999	3250	32.7	62.6
101242500	Co-operation	12258	20901	16382	33.6	-21.6
101243500	Other Agri. Programmes	751	275	125	-83.4	-54.5
101000000	TOTAL-I	89195	121564	255698	186.7	110.3
		8.1%	10.2%	10.4%		
102000000	II. RURAL DEVELOPMENT					
102250100	SPECIAL PROGRAMMES FOR RURAL DEVELOPMENT					
01-	I.R.D.P.	19000	31220	42000	121.1	34.5
02-	D.P.A.P.	3800	3084	4000	5.3	29.7
04-	I.R.E.P.	600	648	1000	66.7	54.3
	Sub-Total (01+02+03)	23400	34952	47000	100.9	34.5
102250500	Rural Employment					
01-	N.R.E.P./J.R.Y.	19250	34015	57000	196.1	67.6
60-	Other Programmes	0	9818	14400	0.0	46.7
102250600	Land Reforms	9500	13174	20500	115.8	55.6
102251500	Other R.D. Programmes	10485	14252	16400	56.4	15.1
102000000	TOTAL-II	62635	106211	155300	147.9	46.2
		5.7%	8.9%	6.3%		
103000000	III. SPECIAL AREA PROGRAMMES	1900	3549	35231	1754.3	892.7
		0.2%	0.3%	1.4%		
104000000	IV. IRRIGATION & FLOOD CONTROL					
2701	Major & Medium Irrigation	142000	124501	200100	40.9	60.7
2702	Minor Irrigation	55400	65254	72000	30.0	10.3
2705	Command Area Development	10700	9126	10000	-6.5	9.6
2711	Flood Control and Drainage	16450	10583	19000	15.5	79.5
104000000	TOTAL-IV	224550	209464	301100	34.1	43.7
		20.4%	17.5%	12.3%		

ANNEXURE-II(Contd.)

(Rs. in Lakh)

CODE NO	MAJOR/MINOR HEAD OF DEVELOPMENT	SEVENTH PLAN			EIGHTH PLAN		INCREASE OVER SEVENTH PLAN (IN PERCENTAGES)	
		APPROVED OUTLAY	EXPENDITURE	OUTLAY	OUTLAY (COL.3)	EXPENDITURE (COL.4)		
1	2	3	4	5	6	7		
105000000	U-ENERGY							
105280100	Power	344000	280822	714068	107.6	154.3		
105281000	Non-conventional Sources Of Energy	1800	2247	3065	70.3	36.4		
105000000	TOTAL-U	345800	283069	717133	107.4	153.3		
		31.4%	23.7%	29.2%				
106000000	VI-INDUSTRY & MINERALS							
106285100	Village & Small Industries	18650	17591	58800	215.3	234.3		
106285200	Industries (Other Than USI)	40863	48286	71000	73.8	47.0		
106285302	Mining	3160	3593	5000	58.2	39.2		
106000000	TOTAL-VI	62673	69470	134800	115.1	94.0		
		5.7%	5.8%	5.5%				
107000000	VII-TRANSPORT							
107305300	Civil Aviation	190	352	1300	584.2	269.3		
107305400	Roads & Bridges	96500	100619	237000	145.6	135.5		
107305500	Road Transport	18959	26797	33000	74.1	23.1		
107305600	Inland Water Transport	100	15	0	-100.0	-100.0		
107307300	Other Transport	100	35	150	50.0	328.6		
107000000	TOTAL-VII	115849	127818	271450	134.3	112.4		
		10.5%	10.7%	11.1%				
108000000	VIII-COMMUNICATIONS	0	0	0	0.0	0.0		
		0.0%	0.0%	0.0%				
109000000	IX-SCIENCE, TECHNOLOGY & ENVIRONMENT	1500	2306	4422	194.8	91.8		
		0.1%	0.2%	0.2%				
110000000	X-GENERAL ECONOMIC SERVICES							
110345100	Secretariate Economic Services	1569	1316	3898	148.4	196.2		
110345200	Tourism	3650	5730	13500	269.9	135.6		
110345400	Survey & Statistics	1272	953	2119	66.6	122.4		
110345600	Civil Supplies	10	47	530	5400.0	1070.2		
110347300	Other General Eco. Services	80	189	170	112.5	-10.1		
	Untied Fund for District Plan	0	160	800	0.0	400.0		
110000000	TOTAL-X	6581	8395	21037	219.7	150.6		
		0.6%	0.7%	0.9%				

ANNEXURE-II(Concl'd.)

(Rs. in Lakh)

NO	JOB/MINOR HEAD OF DEVELOPMENT	SEVENTH PLAN		EIGHTH PLAN OUTLAY	INCREASE OVER SEVENTH PLAN (IN PERCENTAGES)	
		APPROVED OUTLAY	EXPENDITURE		OUTLAY (COL.3)	EXPENDITURE (COL.4)
1	2	3	4	5	6	7
200000000	XI-SOCIAL SERVICES	177945 16.2%	245476 20.5%	550331 22.4%	209.3	124.2
221000000	Education					
221220200	General Education	26294	45546	112500	327.9	147.0
221220300	Technical Education	8650	9147	37500	333.5	310.0
221220400	Sports & Youth Services	2671	5250	8540	219.7	62.7
221220500	Art & Culture	1110	2357	3875	249.1	64.4
221000000	Sub-Total(Education)	38725 3.5%	62300 5.2%	162415 6.6%	319.4	160.7
222221000	Medical & Public Health	31410 2.9%	45733 3.8%	91560 3.7%	191.5	100.2
223221500	Water Supply & Sanitation	43200 3.9%	45567 3.8%	112875 4.6%	161.3	147.7
223221600	Housing(incl. Police Housing)	18176 1.7%	35898 3.0%	28588 1.2%	57.3	-20.4
223221700	Urban Development	24700 2.2%	21669 1.8%	52100 2.1%	110.9	140.4
224222000	Information & Publicity	1250 0.1%	1600 0.1%	2250 0.1%	80.0	40.6
225222500	Welfare of SC,ST & BC	10905 1.0%	14950 1.3%	23100 0.9%	111.8	54.5
226223000	Labour & Employment	3021 0.3%	4404 0.4%	45968 1.9%	1421.6	943.8
227223500	Social Security & Welfare	2088 0.2%	7398 0.6%	26300 1.1%	1159.6	255.5
227223600	Nutrition	4470 0.4%	5957 0.5%	5175 0.2%	15.8	-13.1
200000000	TOTAL-XI	177945 16.2%	245476 20.5%	550331 22.4%	209.3	124.2
300000000	XII-GENERAL SERVICES	11372 1.0%	17550 1.5%	7005 0.3%	-38.4	-60.1
342205600	Jails	80	528	220	175.0	-58.3
342205800	Stationery & Printing	1053	699	2200	108.9	214.7
342205900	Public Works	10239	16323	4585	-55.2	-71.9
342207000	Other Administrative Services					
300000000	TOTAL-XII	11372 1.0%	17550 1.5%	7005 0.3%	-38.4	-60.1
999999999	GRAND TOTAL	1100000 100.0%	1194872 100.0%	2453507 100.0%	123.0	105.3

ANNEXURE-III

EIGHTH PLAN (1990-95) SECTORAL OUTLAYS

(Rs. in Lakh)

CODE NO	MAJOR/MINOR HEAD OF DEVELOPMENT	CAPITAL	REVENUE	TOTAL
1	2	3	4	5
10000000	ECONOMIC SERVICES	1418997	477174	1896171
		74.8%	25.2%	100.0%
101000000	I. AGRICULTURE AND ALLIED ACTIVITIES			
101240100	Crop Husbandry	4150	86251	90401
101240200	Soil & Water Conservation	465	47435	47900
101240300	Animal Husbandry	6120	9880	16000
101240400	Dairy Development	0	10500	10500
101240500	Fisheries	408	2292	2700
101240600	Forestry & Wild Life	0	44000	44000
101240700	Plantations	0.00%	0.00%	0.00%
101240800	Food, Storage & Warehousing	19090	0	19090
101241500	Agri. Researrch & Education	0	5350	5350
101241600	Agri. Financial Institutions	3250	0	3250
101242500	Co-operation	6166	10216	16382
101243500	Other Agri. Programmes	0	125	125
101000000	TOTAL-I	39649	216049	255698
		15.5%	84.5%	100.0%
102000000	II. RURAL DEVELOPMENT			
102250100	SPECIAL PROGRAMMES FOR RURAL DEVELOPMENT			
01-	I.R.D.P	0	42000	42000
02-	D.P.A.P.	0	4000	4000
04-	I.R.E.P.	1000	0	1000
	Sub-Total (01+02+03)	1000	46000	47000
		2.1%	97.9%	100.0%
102250500	Rural Employment			
01-	N.R.E.P/J.R.Y.	0	57000	57000
60-	Other Programmes	0	14400	14400
102250600	Land Reforms	0	20500	20500
102251500	Other R.D. Programmes	8950	7450	16400
102000000	TOTAL-II	9950	145350	155300
		6.4%	93.6%	100.0%
103000000	III. SPECIAL AREA PROGRAMMES	14500	20731	35231
		41.2%	58.8%	100.0%
104000000	IV. IRRIGATION & FLOOD CONTROL			
2701	Major & Medium Irrigation	200100	0	200100
2702	Minor Irrigation	65532	6468	72000
2705	Command Area Development	0	10000	10000
2711	Flood Control and Drainage	19000	0	19000
104000000	TOTAL-IV	284632	16468	301100
		94.5%	5.5%	100.0%

ANNEXURE-III(Contd.)

(Rs. in Lakh)

CODE NO	MAJOR/MINOR HEAD OF DEVELOPMENT	CAPITAL	REVENUE	TOTAL
1	2	3	4	5
105000000	V-ENERGT			
105280100	Power	714068	0	714068
105281000	Non-conventional Sources Of Energy	2944	121	3065
105000000	TOTAL-V	717012	121	717133
		100.0%	0.0%	100.0%
106000000	VI-INDUSTRY & MINERALS			
106285100	Village & Small Industries	8579	50221	58800
106285200	Industries (Other Than VSI)	61400	9600	71000
106285302	Mining	4220	780	5000
106000000	TOTAL-VI	74199	60601	134800
		55.0%	45.0%	100.0%
107000000	VII-TRANSPORT			
107305300	Civil Aviation	1115	185	1300
107305400	Roads & Bridges	237000	0	237000
107305500	Road Transport	29671	3329	33000
107305600	Inland Water Transport	0	0	0
107307500	Other Transport	0	150	150
107000000	TOTAL-VII	267786	3664	271450
		98.7%	1.3%	100.0%
108000000	VIII-COMMUNICATIONS	0	0	0
		0.0%	0.0%	0.0%
109000000	IX-SCIENCE, TECHNOLOGY & ENVIRONMENT	1655	2767	4422
		37.4%	62.6%	100.0%
110000000	X-GENERAL ECONOMIC SERVICES			
110345100	Secretariate Economic Services	89	3809	3898
110345200	Tourism	9495	4005	13500
110345400	Survey & Statistics	30	2089	2119
110345600	Civil Supplies	0	550	550
110347500	Other General Eco. Services	0	170	170
	Untied Fund for District Plan	0	800	800
110000000	TOTAL-X	9614	11423	21037
		45.7%	54.3%	100.0%

ANNEXURE-III(Concl.d.)

(Rs. in Lakh)

CODE NO	MAJOR/MINOR HEAD OF DEVELOPMENT	CAPITAL	REVENUE	TOTAL
1	2	3	4	5
200000000	XI-SOCIAL SERVICES	274044	276287	550331
		49.8%	50.2%	100.0%
221000000	Education			
221220200	General Education	12171	100329	112500
		10.8%	89.2%	100.0%
221220300	Technical Education	12096	25404	37500
221220400	Sports & Youth Services	3962	4578	8540
221220500	Art & Culture	1486	2389	3875
221000000	Sub-Total(Education)	29715	132700	162415
		18.3%	81.7%	100.0%
222221000	Medical & Public Health	63199	28361	91560
		69.0%	31.0%	100.0%
223221500	Water Supply & Sanitation	112875	0	112875
		100.0%	0.0%	100.0%
223221600	Housing(incl. Police Housing)	28588	0	28588
		100.0%	0.0%	100.0%
223221700	Urban Development	31666	20434	52100
		60.8%	39.2%	100.0%
224222000	Information & Publicity	0.00%	2250	2250
		0.0%	100.0%	100.0%
225222500	Welfare of SC,ST & BC	3514	19586	23100
		15.2%	84.8%	100.0%
226223000	Labour & Employment	2511	43457	45968
		5.5%	94.5%	100.0%
227223500	Social Security & Welfare	1976	24324	26300
		7.5%	92.5%	100.0%
227223600	Nutrition	0	5175	5175
		0.0%	100.0%	100.0%
200000000	TOTAL-XI	274044	276287	550331
		49.8%	50.2%	100.0%
300000000	XII-GENERAL SERVICES	7005	0	7005
		100.0%	0.0%	100.0%
342205600	Jails	220	0	220
342205800	Stationery & Printing	2200	0	2200
342205900	Public Works	4585	0	4585
342207000	Other Administrative Services	0	0	0
300000000	TOTAL-XII	7005	0	7005
		100.0%	0.0%	100.0%
999999999	GRAND TOTAL	1700046	753461	2453507
		69.3%	30.7%	100.0%

ANNEXURE-IV

EIGHTH PLAN (1990-95) - SHARES OF MAIN SCHEMES IN SECTORAL OUTLAYS

(Rs. in Lakh)

CODE NO	MAJOR/MINOR HEAD OF DEVELOPMENT	CENTRALLY SPONSORED SCHEMES (STATE SHARE)	M.N.P.	EXTERNALLY AIDED PROJECTS	REST	TOTAL
1	2	3	4	5	6	7
100000000	ECONOMIC SERVICES	211166 11.1%	165575 8.7%	374926 19.8%	1144504 60.4%	1896171 100.0%
101000000	I. AGRICULTURE AND ALLIED ACTIVITIES					
101240100	Crop Husbandry	45452	0	15299	29650	90401
101240200	Soil & Water Conservation	1100	0	11412	35388	47900
101240300	Animal Husbandry	1070	0	0	14930	16000
101240400	Dairy Development	0	0	0	10500	10500
101240500	Fisheries	1327	0	0	1373	2700
101240600	Forestry & Wild Life	2364	1709	25723	14204	44000
101240800	Food, Storage & Warehousing	400	0	0	18690	19090
101241500	Agri. Research & Education	0	0	0	5350	5350
101241600	Agri. Financial Institutions	0	0	0	3250	3250
101242500	Co-operation	2442	0	0	13940	16382
101243500	Other Agri. Programmes	0	0	0	125	125
101000000	TOTAL-I	54155 21.2%	1709 0.7%	52434 20.5%	147400 57.6%	255698 100.0%
102000000	II. RURAL DEVELOPMENT					
102250100	SPECIAL PROGRAMMES FOR RURAL DEVELOPMENT					
01-	I.R.D.P.	42000	0	0	0	42000
02-	D.P.A.P.	4000	0	0	0	4000
04-	I.R.E.P.	0	0	0	1000	1000
	Sub-Total (01+02+03)	46000	0	0	1000	47000
102250500	Rural Employment					
01-	N.R.E.P./J.R.Y.	57000	0	0	0	57000
60-	Other Programmes	0	0	0	14400	14400
102250600	Land Reforms	227	0	0	20273	20500
102251500	Other R.D. Programmes	0	0	0	16400	16400
102000000	TOTAL-II	103227 66.5%	0 0.0%	0 0.0%	52073 33.5%	155300 100.0%
103000000	III. SPECIAL AREA PROGRAMMES	14500 41.2%	0 0.0%	0 0.0%	20731 58.8%	35231 100.0%
104000000	IV. IRRIGATION & FLOOD CONTROL					
2701	Major & Medium Irrigation	0	0	39400	160700	200100
2702	Minor Irrigation	910	0	20000	51090	72000
2705	Command Area Development	10000	0	0	0	10000
2711	Flood Control and Drainage	0	0	0	19000	19000
104000000	TOTAL-IV	10910 3.6%	0 0.0%	59400 19.7%	230790 76.6%	301100 100.0%

ANNEXURE-IV(Contd.)

(Rs. in Lakh)

CODE NO	MAJOR/MINOR HEAD OF DEVELOPMENT	CENTRALLY SPONSORED SCHEMES (STATE SHARE)	M.N.P.	EXTERNALLY AIDED PROJECTS	REST	TOTAL
1	2	3	4	5	6	7
105000000	V-ENERGY					
105280100	Power	17895	28000	228172	440001	714068
105281000	Non-conventional Sources Of Energy	0	0	0	3065	3065
105000000	TOTAL-V	17895 2.5%	28000 3.9%	228172 31.8%	443066 61.8%	717133 100.0%
106000000	VI-INDUSTRY & MINERALS					
106285100	Village & Small Industries	9857	0	0	48943	58800
106285200	Industries (Other Than VSI)	0	0	0	71000	71000
106285302	Mining	0	0	0	5000	5000
106000000	TOTAL-VI	9857 7.3%	0 0.0%	0 0.0%	124943 92.7%	134800 100.0%
107000000	VII-TRANSPORT					
107305300	Civil Aviation	0	0	0	1300	1300
107305400	Roads & Bridges	500	135316	34880	66304	237000
107305500	Road Transport	0	0	0	33000	33000
107305600	Inland Water Transport	0	0	0	0	0
107307500	Other Transport	0	0	0	150	150
107000000	TOTAL-VII	500 0.2%	135316 49.8%	34880 12.8%	100754 37.1%	271450 100.0%
108000000	VIII-COMMUNICATIONS	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
109000000	IX-SCIENCE, TECHNOLOGY & ENVIRONMENT	122 2.8%	0 0.0%	0 0.0%	4300 97.2%	4422 100.0%
110000000	X-GENERAL ECONOMIC SERVICES					
110345100	Secretariate Economic Services	0	0	0	3898	3898
110345200	Tourism	0	0	40	13460	13500
110345400	Survey & Statistics	0	550	0	1569	2119
110345600	Civil Supplies	0	0	0	550	550
110347500	Other General Eco. Services	0	0	0	170	170
	Untied Fund for District Plan	0	0	0	800	800
110000000	TOTAL-X	0 0.0%	550 2.6%	40 0.2%	20447 97.2%	21037 100.0%

ANNEXURE-IV(Concl'd.)

(Rs. in Lakh)

CODE NO	MAJOR/MINOR HEAD OF DEVELOPMENT	CENTRALLY SPONSORED SCHEMES (STATE SHARE)	M.N.P.	EXTERNALLY AIDED PROJECTS	REST	TOTAL
1	2	3	4	5	6	7
200000000	XI-SOCIAL SERVICES	36375 6.6%	190748 34.7%	55122 10.0%	268086 48.7%	550331 100.0%
221000000	Education					
221220200	General Education	4181 3.7%	53186 47.3%	20000 17.8%	35133 31.2%	112500 100.0%
221220300	Technical Education	0	0	0	37500	37500
221220400	Sports & Youth Services	0	0	0	8540	8540
221220500	Art & Culture	0	0	0	3875	3875
221000000	Sub-Total(Education)	4181 2.6%	53186 32.7%	20000 12.3%	85048 52.4%	162416 100.0%
222221000	Medical & Public Health	4614 5.0%	53537 58.5%	5907 6.5%	27502 30.0%	91560 100.0%
223221500	Water Supply & Sanitation	7125 6.3%	59875 53.0%	6820 6.0%	39055 34.6%	112875 100.0%
223221600	Housing(incl. Police Housing)	0 0.0%	13625 47.7%	0 0.0%	14963 52.3%	28588 100.0%
223221700	Urban Development	14700 28.2%	5350 10.3%	22395 43.0%	9655 18.5%	52100 100.0%
224222000	Information & Publicity	0 0.0%	0 0.0%	0 0.0%	2250 100.0%	2250 100.0%
225222500	Welfare of SC,ST & BC	2088 9.0%	0 0.0%	0 0.0%	21012 91.0%	23100 100.0%
226223000	Labour & Employment	2376 5.2%	0 0.0%	0 0.0%	43592 94.8%	45968 100.0%
227223500	Social Security & Welfare	1291 4.9%	0 0.0%	0 0.0%	25009 95.1%	26300 100.0%
227223600	Nutrition	0 0.0%	5175 100.0%	0 0.0%	0 0.0%	5175 100.0%
228225200	Other Social Services	0	0	0	0	0
300000000	XII-GENERAL SERVICES	0 0.0%	0 0.0%	0 0.0%	7005 100.0%	7005 100.0%
342205600	Jails	0	0	0	220	220
342205800	Stationery & Printing	0	0	0	2200	2200
342205900	Public Works	0	0	0	4585	4585
342207000	Other Administrative Services	0	0	0	0	0
300000000	TOTAL-XII	0 0.0%	0 0.0%	0 0.0%	7005 100.0%	7005 100.0%
999999999	GRAND TOTAL	247541 10.1%	356323 14.5%	430048 17.5%	1419595 57.9%	2453507 100.0%

ANNEXURE-V
EIGHTH PLAN (1990-95)- SECTORAL OUTLAYS
SHARES OF SCHEMES

(Rs. in lakh)

CODE NO	MAJOR/MINOR HEAD OF DEVELOPMENT	ON-GOING	NEW STARTS	TOTAL
1	2	3	4	5
10000000	ECONOMIC SERVICES	1727731	168440	1896171
		91.1%	8.9%	100.0%
10100000	I. AGRICULTURE AND ALLIED ACTIVITIES			
101240100	Crop Husbandry	72264	18137	90401
101240200	Soil & Water Conservation	47900	0	47900
101240300	Animal Husbandry	13544	2456	16000
101240400	Dairy Development	4902	5598	10500
101240500	Fisheries	1711	989	2700
101240600	Forestry & Wild Life	44000	0	44000
101240700	Plantations	0	0	0
101240800	Food, Storages & Warehousing	19090	0	19090
101241500	Agri. Research & Education	5350	0	5350
101241600	Agri. Financial Institutions	3250	0	3250
101242500	Co-operation	16382	0	16382
101243500	Other Agri. Programmes	125	0	125
101000000	TOTAL-I	228518	27180	255698
		89.4%	10.6%	100.0%
10200000	II. RURAL DEVELOPMENT			
102250100	SPECIAL PROGRAMMES FOR RURAL DEVELOPMENT			
01-	I.R.D.P	42000	0	42000
02-	D.P.A.P.	4000	0	4000
04-	I.R.E.P.	1000	0	1000
	Sub-Total (01+02+03)	47000	0	47000
		100.0%	0.0%	100.0%
102250500	Rural Employment			
01-	N.R.E.P/J.R.Y.	57000	0	57000
60-	Other Programmes	0	14400	14400
102250600	Land Reforms	20500	0	20500
102251500	Other R.D. Programmes	15750	650	16400
102000000	TOTAL-II	140250	15050	155300
		90.3%	9.7%	100.0%
10300000	III. SPECIAL AREA PROGRAMMES	19231	16000	35231
		54.6%	45.4%	100.0%
10400000	IV. IRRIGATION & FLOOD CONTROL			
2701	Major & Medium Irrigation	196283	3817	200100
2702	Minor Irrigation	57986	14014	72000
2705	Command Area Development	10000	0	10000
2711	Flood Control and Drainage	12978	6022	19000
104000000	TOTAL-IV	277247	23853	301100
		92.1%	7.9%	100.0%

ANNEXURE-V (Contd.)

(Re. in lakh)

CODE NO	MAJOR/MINOR HEAD OF DEVELOPMENT	ON-GOING	NEW STARTS	TOTAL
1	2	3	4	5
105000000	V-ENERGY			
105280100	Power	684557	29511	714068
105281000	Non-conventional Sources Of Energy	3065	0	3065
105000000	TOTAL-V	687622 95.9%	29511 4.1%	717133 100.0%
106000000	VI-INDUSTRY & MINERALS			
106285100	Village & Small Industries	32435	26365	58800
106285200	Industries (Other Than VBI)	57277	13723	71000
106285302	Mining	4188	812	5000
106000000	TOTAL-VI	93900 69.7%	40900 30.3%	134800 100.0%
107000000	VII-TRANSPORT			
107305300	Civil Aviation	1300	0	1300
107305400	Roads & Bridges	228000	9000	237000
107305500	Road Transport	30500	2500	33000
107305600	Inland Water Transport	0	0	0
107307500	Other Transport	150	0	150
107000000	TOTAL-VII	259950 95.8%	11500 4.2%	271450 100.0%
108000000	VIII-COMMUNICATIONS	0 0.0%	0 0.0%	0 0.0%
109000000	IX-SCIENCE, TECHNOLOGY & ENVIRONMENT	4422 100.0%	0 0.0%	4422 100.0%
110000000	X-GENERAL ECONOMIC SERVICES			
110345100	Secretariate Economic Services	3891	7	3898
110345200	Tourism	10115	3385	13500
110345400	Survey & Statistics	1065	1054	2119
110345600	Civil Supplies	550	0	550
110347500	Other General Eco. Services	170	0	170
	Untied Fund for District Plan	800	0	800
110000000	TOTAL-X	16591 78.9%	4446 21.1%	21037 100.0%

ANNEXURE-V (Concl.d.)

(Rs. in lakh)

CODE NO	MAJOR/MINOR HEAD OF DEVELOPMENT	ON-GOING	NEW STARTS	TOTAL
1	2	3	4	5
200000000	XI-SOCIAL SERVICES	523590	26741	550331
		95.1%	4.9%	100.0%
221000000	Education			
221220200	General Education	110621	1879	112500
		98.3%	1.7%	100.0%
221220300	Technical Education	37130	370	37500
				0
221220400	Sports & Youth Services	7950	590	8540
221220500	Art & Culture	3875	0	3875
221000000	Sub-Total(Education)	159576	2839	162415
		98.3%	1.7%	100.0%
222221000	Medical & Public Health	76751	14809	91560
		83.8%	16.2%	100.0%
223221500	Water Supply & Sanitation	112875	0	112875
		100.0%	0.0%	100.0%
223221600	Housing(incl. Police Housing)	28088	500	28588
		98.3%	1.7%	100.0%
223221700	Urban Development	45400	6700	52100
		87.1%	12.9%	100.0%
224222000	Information & Publicity	2250	0	2250
		100.0%	0.0%	100.0%
225222500	Welfare of SC,ST & BC	22898	202	23100
		99.1%	0.9%	100.0%
226223000	Labour & Employment	45968	0	45968
		100.0%	0.0%	100.0%
227223500	Social Security & Welfare	24609	1691	26300
		93.6%	6.4%	100.0%
227223600	Nutrition	5175	0	5175
		100.0%	0.0%	100.0%
228225200	Other Social Services	0	0	0
200000000	TOTAL-XI	523590	26741	550331
		95.1%	4.9%	100.0%
300000000	XII-GENERAL SERVICES	7005	0	7005
		100.0%	0.0%	100.0%
342205600	Jails	220	0	220
		100.0%	0.0%	100.0%
342205800	Stationery & Printing	2200	0	2200
342205900	Public Works	4585	0	4585
342207000	Other Administrative Services			
300000000	TOTAL-XII	7005	0	7005
		100.0%	0.0%	100.0%
999999999	GRAND TOTAL	2258326	195181	2453507
		92.0%	8.0%	100.0%

CHAPTER IX

21 POINT PROGRAMME

"Development with social justice" is the universal principle of planning. This was the main plank of the present government as it had won public mandate on the issue of social justice. Under its new 21-point programme the state government is determined to achieve its goals through a planned and time bound programme.

Main objectives

2 The main objective of the 21-point programme is to give opportunity to weaker and depressed section of the society to raise and to obtain for them social and economic parity. Thus, together with economic programmes like agriculture, rural development, rural and small scale industries and energy, a number of social-security and social development programmes have also been taken up. These include education, health, woman and child welfare, youth welfare, labour, old age pension and pensions for widows. Under the minimum needs programme emphasis, has been given for providing drinking water, education and ensuring connectivity of villages for better communication. The programme includes effective public distribution system, effective check against hoarding and black marketing and educating the people on consumer protection laws. It also envisages full security to minorities to enable them to play a greater role in national life.

Outline

3 The following is a brief description of the various constituents of this programme:

1. To establish a clean and effective administration and root-out corruption.
2. To exercise effective control on public enterprises
3. Decentralisation of power.
4. To establish communal harmony.
5. Complete security to minorities.
6. Justice to scheduled caste and scheduled tribes, bonded labourers, marginal farmers, artisans etc.
7. Women welfare programme for qualitative improvement in the life of rural women.
8. Employment of youth to train them under TRYSEM and through Jawahar Rozgar Yojana.
9. Social security to old, destitute, disabled and widows.
10. Programmes for increasing productivity in agriculture and to improve living conditions of farmers and villagers.
11. Labour welfare-raising their wages.
12. Education - the government has decided to give free education upto class twelve.
13. Health for all - to strengthen primary health services

and setting up increased number of community health centres.

14. Drinking water - by making provision of clean drinking water to a larger number of villages.
15. Housing - to provide more houses to economically weaker section and low income groups.
16. Public distribution system - qualitative improvement is to be made to make the public distribution system more effective.
17. Industrial development - more units to be established in Khadi and Village industry sector.
18. Child the future of the country - to provide nutrition to children below six years and pregnant and lactating women below poverty line.
19. The scheme for weavers - To make available inputs to weavers at reasonable rates and to increase production of cloth.
20. Linking villages with pucca roads- To connect all the villages having population of 1000 or more with main district roads by the end of year 1990-91.
21. Rural Electrification - To electrify more villages and energise a larger number of pumpsets and to ensure electricity to farmers for 14 hours a day.

4 Special emphasis has been given to some of the important items which are directly related with the fulfilment of objectives of social justice. A brief description of some of these items is given below :

Sanitary Latrines in Rural Areas (Point No. 7)

5 With a view to improve the quality of life in rural areas, particularly of rural women, a massive programme for construction of 2 lakh individual latrines have been launched with initial outlay of Rs. 26.39 crore. The estimated cost per latrine in Rs. 1500 for plain and Rs. 1725/- for hill areas out of which share of individual beneficiary will be 20 percent. The programme has been well received in most of the areas of state.

Nehru Rozgar Yojana (point no. 8)

6 Nehru Rozgar Yojana has been launched in urban areas in order to provide employment opportunities to urban youths. Under the scheme, a special programme for the benefit of rickshaw pullers has been chalked out under which 50000 rickshaw pullers will become the owner of rickshaw. An allocation of Rs.3.12 crore has been made for this purpose for the year 1990-91.

Social Security Schemes (Point No. 9)

7 In order to provide social security to the old, disabled and destitute widows, the pension scheme has been revised. Minimum age for old age pension has been reduced from 55 years to 60 years in order to enlarge its coverage. The amount of pension has been raised from Rs. 60 per month to Rs. 100 per month. A budget provision of Rs. 56.62 crore has been made for this scheme for

the year 1990-91. Similarly the amount of grants for disabled persons and destitute widows have been raised from Rs. 60 to Rs. 100 per month. A budget provision for Rs. 6.61 crore for disabled persons and Rs. 28.71 crore for destitute widows has been made for the year 1990-91.

Night Shelter "Rain Basera" (Point no.9)

8 In order to provide shelter to homeless labourers, rikshaw pullers etc. a night shelter scheme has been approved initially for 8 big cities viz; Lucknow, Kanpur, Allahabad, Agra, Varanasi, Gorakhpur, Bareilly, Meerut. The average cost per individual is estimated to be Rs. 5750 out of which Rs. 4000 will be as a loan and Rs. 1000 as a grant from HUDCO by the Government of India and remaining Rs. 750 will be borne by the respective municipal corporation and state govt. on 50:50 sharing basis.

Bhoomi Sena (Point No.10)

9 The Govt. of U.P. have decided to form land army (Bhoomi Sena) of landless labourers in rural areas in order to provide employment opportunities. Under the scheme, usar, banjar and ravine lands will be distributed to landless labourers and reclaimed with the help of Land Army. The scheme has been launched in 16 districts of the state with a budget provision of Rs. 38 crore in the year 1990-91. Initially 10 districts have been selected for usar reclamation, 2 districts for control of land erosion and 4 districts for improvement of ravines land. In all, 11500 hectares land will be reclaimed and will be distributed among landless labourers at the rate of one hectare per beneficiary.

Primary School Buildings (Point No.12)

10 A large number of primary schools in rural areas were without any buildings in the state, as a result of which the primary school boys and girls were exposed to the vagaries of nature. The Government of Uttar Pradesh have set a target of providing buildings to all the primary schools by the end of the year 1990-91. To achieve this target, in addition to Rs. 69.61 crore allocated for 7734 primary school buildings last year Rs. 45.77 crore have been allocated for the construction of 5086 primary school buildings this year.

Clean Drinking Water (Point No.14)

11 Although provision of drinking water to the rural population has been on a very high priority a large number of villages are still uncovered by the clean drinking water facilities. Government of Uttar Pradesh have decided to cover the total area of state with drinking water facilities within next five years. During the year 1990-91, a provision of Rs. 93.68 crore has been made to cover 7604 villages by clean drinking water facilities.

NIEPA DC



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Planning and Administration
17-B, SriAurobindo Marg, New Delhi-110016
D.C. No. D-5860
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