

# **ANNUAL PLAN**

**2000-2001**

**Volume I (Part I)**



**UTTAR PRADESH**

**DRAFT**

**ANNUAL PLAN  
2000-2001**

**Volume I (Part I)**

**GOVERNMENT OF UTTAR PRADESH  
STATE PLANNING COMMISSION  
AUGUST, 2000**

**Published by :**  
**Principal Secretary to Government of Uttar Pradesh,**  
**Planning Department,**  
**U.P. Secretariat**  
**Lucknow.**

**This draft-plan is presented in three volumes.**

<b>Volume - I</b>	<b>consists of General Profile &amp; Sectoral Reviews,</b>
<b>Volume - II</b>	<b>is of Statements I to VII and</b>
<b>Volume - III</b>	<b>is of Statements VIII to XVI</b>

**Printed by : United Block Printers, 78, Gautam Budh Marg, Lucknow.**  
**through the Director, Information & Public Relations, U.P., Lucknow.**

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## CHAPTER – 1

### Plan in Outline

With one more year left for the expiry of Ninth Five Year Plan (1997-2002), the Annual Plan 2000-2001 assumes special significance for the State. The proposals of this Plan should be viewed in the background of the levels of development of the State, both economic and social, an overall view of the achievement of the State in the first three years of the Plan from 1997-98 to 1999-2000, and the picture likely to emerge at the end of the Plan. The levels of development of the State achieved at the end of the Eighth plan in 1996-97 were far lower than most of the States of the country, leaving a far greater gap to be bridged in the succeeding plans requiring far greater resources and efforts than what the State could hope to mobilize on its own. Even though these are well known facts and have been repeated time and again, it will be worthwhile to quickly run through the following few facts only to get a feel of these observations :

- The State's per capita income in 1998-99 was Rs.9261 which was the lowest amongst the major States of the country , except Orissa at Rs.8719 and Bihar at Rs.5923 and was 36.9% less than the per capita income of the country, at Rs.14682.
- Per capita consumption of electricity in the State at 194 Kwh in 1997-98 was the lowest among all major States, except Bihar at 142 Kwh. and was 44.4% less than the per capita consumption of the country, at 349 Kwh.
- The productivity of foodgrains in the State at 20.27 qtl/hect. in 1997-98 was much lower than the States of Punjab at 35.97 qtl/hect. and Haryana at 27.16 qtl./hectare.
- The literacy rate of 41.6% in the State in 1991 was one of the lowest among the major States, except for Bihar at 38.5% and Rajasthan at 38.6%, against the all India literacy rate of 52.2%.
- The per capita plan outlay of the State during the successive Five Year Plans was always far behind the average of all States<sup>1</sup>.

2. The Eighth Five Year Plan (1992-97), launched with great hopes following marked improvement in the economy of the State in the preceding three five year plans, with rates of growth rising to 5.7% per annum both in the Fifth and Seventh plans, failed to keep up the tempo. The economic reforms initiated by the Govt. of India during 1990's had little impact on this State and instead of maintaining or improving upon the past trends in growth, the economy slumped to a growth of 3.2% per annum in this plan. There was an all-round deceleration in growth in different sectors of the economy, with growth in primary sector, comprising agriculture including animal husbandry, in particular, sustaining about 72% of the State's workforce and accounting for about 42% of the State's income slipping down to 2.5% per annum. The

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<sup>1</sup> Annexure -- I

performance in the other two sectors, secondary and tertiary, was none too encouraging. The growth in the secondary sector comprising manufacturing based enterprises in particular was a meagre 4.2% per annum, the lowest among the past three five year plans, with tertiary sector comprising services, in particular, registering a still lower growth of 3.9% per annum, far lower than the corresponding growth in the preceding three plans. The result of this disappointing performance of the Eighth Plan was that the shortfall in per capita income of the State against that of the country rose from 21.6% in 1980-81, at the beginning of Sixth plan, to 36.7% in 1996-97, the terminal year of the Eighth Plan. The per capita income of the State, which in 1980-81 was Rs.1278 against Rs.1630 of the country, both at constant prices of 1980-81, rose to Rs.1748 and Rs.2761 respectively in 1996-97. This brief description on the Eighth Plan will remain incomplete without pointing out that it was again during this Plan that the expenditure for the first time fell substantially short of the plan outlay, both at current prices and constant prices of 1991-92, the base year of the Eighth Plan, against altogether opposite trends of the past when the plan expenditure always used to be higher than the outlays. The expenditure in the Fifth Plan was Rs. 2909.00 Cr against an outlay of Rs.2236.00 Cr , and the expenditure in the Sixth and the Seventh Plans was Rs 6594.29 Cr and Rs. 11948.72 Cr. against the outlays of Rs. 6200.00 Cr and Rs. 11000.00 Cr respectively . However, the plan expenditure in Eighth Plan remained Rs. 21679.81 Cr. as against an outlay of Rs. 22005.00 Cr.

3. It was against this scenario that the State was called upon to formulate its current Ninth Five Year Plan (1997-2002). The State had little choice except to make yet another major effort in this Plan to arrest the widening gap between the per capita income of the State and that of the country. It was a formidable task, requiring a much higher rate of growth in the economy than in the past and a far greater investment than what had been mobilized before. Notwithstanding the need of a higher growth in manufacturing sector, a higher rate of growth in this State depends invariably, and rightly so, for considerations of a more balanced and equitable growth, on a higher growth in agriculture. This is one fact which should never be lost sight of while planning for the State even in the years to come. It was for these reasons that despite a not very encouraging performance in the past, the targetted rate of growth in agriculture in this plan has been kept high at 5.1% per annum with similar higher targets of 10% in manufacturing sector and 6.8% in tertiary sector. Based on these targets, the targetted growth for the over-all economy has been kept at 7% per annum, at par with the national target and higher than the past achievements of 5.7% in the Fifth and Seventh Five Year Plans of the State. Corresponding to these growth rates, the targetted aggregate investment for the plan is Rs. 186000 Cr. (at 1996-97 prices), of which public sector investment is Rs. 46340 Cr. and private sector investment Rs.139600 Cr. These are, undoubtedly, very ambitious targets but at the same time are capable of being achieved, provided efforts are made in the right direction on the desired scale. With most States particularly, the more prosperous ones still going high on the growth path with the added advantage of disproportionately larger benefits of economic reforms flowing to them and the country also poised for a higher growth, the failure to achieve these targets will land the State in a still more desperate situation at the end of the Ninth Plan with the gap in per-capita income going higher than that at the end of the Eighth Plan.

4. However, the performance of the first two years of the Ninth plan, 1997-98 and 1998-99, has not been very encouraging. The growth in the over-all economy in these years has been far behind the targetted

growth of 7% per annum. It was 2.2% in 1997-98 and 3.6% in 1998-99<sup>2</sup> with the growth in per capita income, after making adjustments for the growth in population coming down to a negligible 0.2% and 1.4% respectively. As pointed out before, the main reason for these lower growth rates in the economy during these years is that the State could not improve upon its performance achieved during 1996-97 in agriculture, which was the base year for the Ninth Plan. There was a record production of foodgrains in this year (1996-97), at 423.78 lakh tonnes, against 389.56 lakh tonnes of the preceding year (1995-96) and the growth in agriculture, therefore, also rising to abnormally high rate of 9.3% over the preceding year. This rise in foodgrains production was followed by a dip soon after in the next year, when the production came down to 416.79 lakh tonnes. This, coupled with a still higher decline in production of some commercial crops, brought down the growth in agriculture to (-)3.3% in 1997-98. With some improvements taking place in the following year, the growth again picked up to 0.7% in 1998-99. Such fluctuations in food grains production, mostly caused by weather, are a normal feature and their impact on growth performance should always be viewed with some caution. The fact, however, remains that even after making allowance for these statistical aberrations in growth performance arising from weather induced fluctuations in agriculture production, the prospects of achieving the targetted growth of 5.1% per annum in agriculture may seem difficult. There have been some significant gains in foodgrains production in 1999-2000, the third year of the Ninth Plan. The production has gone up to 452.38 lakh tonnes, substantially higher (by 28.6 lakh tonnes) over the record production of 423.78 lakh tonnes of 1996-97. This is a good sign and augurs well for future. However, the production of commercial and high value crops, more particular of oilseeds and sugarcane, has still not picked up to the desired extent. A higher production in these high value crops has important bearing on the growth performance in agriculture and this is one aspect which needs special attention, apart from maintaining the continuity in the rising production of foodgrains.

5. The manufacturing sector comprising industries is the second most important sector of the State's economy, contributing about 14% to the State's income in 1991 with about 9% of its workforce employed in it. However, unlike agriculture which is a slow-growing sector, manufacturing is a fast growing sector with far greater potential for a higher growth than those of other sectors. It is for this reason that the contribution of this sector in the State's income rose from a modest 9.6% in 1980-81 to 14% in 1989. But since then it has remained close to this figure during the Seventh and the Eighth Plans. The contribution during the first two years of the Ninth plan, went down to 12% and 12.3% respectively in 1997-98 and 1998-99. However, as against these, the share of this sector in the State's work-force was 10% in 1981 and at 9% in 1991. In other words, unlike the agriculture sector, the share of manufacturing sector in the State's Income is far higher (14 %) than its share (9%) in the State's work force. The average income per worker in the manufacturing sector is, thus, higher than that in the agriculture sector which is the reason why workers tend to migrate from agriculture to manufacturing. The more the migration, the better it is for the economy, not only because it is symptomatic of a healthy and higher rate of growth in the manufacturing sector but also because it reduces the pressure of workers on agriculture with marginal productivity, and as this pressure decreases, the average income per agriculture worker goes up.

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<sup>2</sup> Annexure - 2

6. The State has not been fortunate enough to witness this migration on any significant scale. The share of agricultural workers came down only marginally (2%) in a period of ten years, from 75% in 1981 to 73% in 1991, with share of workers in manufacturing sector, instead of showing any increase, also came down in this period from 10% to 9%. This only shows that the growth in the manufacturing sector has not been adequate in the past to absorb such a migration.

7. The average annual growth rate ranged between 1.2% and 5.7% during the First to the Fourth Five Year Plans. The growth rate picked up to 9.4% during the Fifth Plan and remained close to it in the Sixth and Seventh Plan periods. After the end of Seventh Plan in March 1990, the average annual growth dipped to a meagre 1.1% in the first two Annual Plans (1990-92). In the Eighth Plan period it picked up to 4.2%, but again declined to 3.6% in the first two years of the Ninth Plan.

8. The setback to industrial growth in the Nineties will not only aggravate the problems of unemployment and poverty but will also pull back the State from whatever little headway it had made in the earlier three Five Year Plans. The average annual growth over a longer period, from 1981-82 to 1997-98, also works out to a modest figure of 6.9% , far less than what is necessary to take the State on the path of rapid economic development.

9. Thus, a higher growth in the economy cannot be achieved in this State without growth rate of not less than over 5% per annum in agriculture and over 10% in industry.

10. Development is a function of investment, depending upon its pattern and the level of efficiency achieved in its use. Based on this premise and on the efficiency of investment in the past, the aggregate investment envisaged for the State's Ninth Plan was of the order of Rs. 186000 Cr., out of which the public sector outlay, as agreed upon by the Planning Commission is Rs. 46340 Cr. (25%) and the rest Rs. 139660 (75%) is to be mobilized through the private sector. The investments targeted for the Plan are at 1996-97 prices , the base year of the Ninth Plan.

11. It may be mentioned here that the outlays approved for Annual Plans 1997-98, 1998-99 and 1999-2000 were Rs.7163.34 Cr., Rs. 10260.96 Cr. And Rs.11400.00 Cr. respectively, at current prices, and the expenditures of these years, at Rs.5666.70 Cr. Rs.6363.94 Cr. and Rs.6568.87 Cr. were short of the approved outlays by 20.9 %, 38.0 % and 42.4% respectively. The shortfalls took place mainly on account of the State's inability to mobilize resources as incorporated in the Annual Plans. The State will have to take necessary measures to ensure that these shortfalls do not recur in the remaining years of the Ninth Plan. As a matter of fact, some steps have already been initiated in this direction and it is hoped that with several measures already underway, the State will be able to mobilise the targetted resources.

12. Thus, the State's plan expenditure in first three years of the Ninth Plan was about Rs. 18600 Cr. as against the approved outlay of Rs. 28824 Cr. The shortfall of 35.5% in expenditure had an adverse impact on the State's growth performance against the targetted growth of 7% per annum in the Ninth Plan. A lower growth of 2.9% in the first two years 1997-98 and 1998-99 is a clear testimony to the same. The



shortfalls in expenditure and growth performance have made it very difficult for the State to achieve the targetted growth of 7% per annum in the Ninth Plan.

13. The distribution of Ninth Plan outlay<sup>3</sup> and the expenditures<sup>4</sup> in the first three years of the Ninth plan among Major Heads of Development is given below to give an idea of the relative priorities attached to them in the allocation of plan funds.

( Rs. in Cr.)

Major Head of Development	Ninth Plan Outlay	Expenditure in Annual Plans				Balance Outlay
		1997-98	1998-99	1999-2000	Total	
<b>Economic Services</b>	<b>33934</b>	<b>3983</b>	<b>4742</b>	<b>5011</b>	<b>13736</b>	<b>20198</b>
1. Agriculture & Allied Activities	3070	409	478	612	1499	1571
2. Rural Development	4743	683	960	1057	2700	2043
3. Special Area Programme	575	115	136	154	405	170
4. Irrigation & Flood Control	3290	618	609	756	1983	1307
5. Energy	7544	1142	1112	1062	3316	4228
6. Industry & Minerals	526	93	120	75	288	238
7. Transport	10007	809	1221	1210	3240	6767
8. Science, Technology & Environment	2075	33	35	51	119	1956
9. General Economics Services	2104	81	71	34	186	1918
<b>Social Services</b>	<b>12278</b>	<b>1668</b>	<b>1603</b>	<b>1541</b>	<b>4812</b>	<b>7466</b>
Of which						
(a) Education	1974	482	459	554	1495	166
(b) Medical & Public Health	1185	156	109	119	384	801
(c) Water Supply & Sanitation	6499	424	498	405	1327	5172
<b>General Services</b>	<b>128</b>	<b>16</b>	<b>19</b>	<b>17</b>	<b>52</b>	<b>76</b>
<b>Total Outlay</b>	<b>46340</b>	<b>5667</b>	<b>6364</b>	<b>6569</b>	<b>18600</b>	<b>27740</b>

<sup>3</sup> Annexure - 3

<sup>4</sup> Annexure - 4

14. As already stated, the Ninth Plan envisaged an investment of Rs. 139660 Cr. in the private sector. The investment was to spread over six large sectors of the plan where the potential for such investment exists. The largest share of this investment, at Rs. 60000 Cr. (43%), was envisaged for Industry, followed by an investment of Rs. 30000 Cr. (31%) for Energy, Rs. 19660 Cr. (14%) for Agriculture and Rs. 10000 Cr. each for Transport, Education and Medical and Public Health, making a total of Rs. 30000 Cr.(12%). However , it is still not known as to how much of this investment has already materialized in these sectors. Efforts are continuing to mobilize as much of this investment as may be possible in order to make up for the shortfall in the public sector plan expenditure.

### **Annual Plan 2000-2001**

15. The Annual Plan 2000-01 has been formulated within the framework of State Ninth Five Year Plan keeping in view the past experience, more particularly of the first three years of the Ninth Plan. The objectives and priorities of the plan therefore, are more or less the same as for the Ninth Five Year Plan<sup>5</sup>. An attempt will be made in the Annual Plan 2000-01 to make up for the shortfalls of the first three years and to raise the over all rate of growth of the State's economy to the targetted 7% during the Ninth Plan. This could be possible only when the rates of growth in agriculture and manufacturing sectors of the economy go up substantially than in the recent past. The State Government is taking several steps for this purpose, more particularly for attracting larger private investment in these sectors than before. In fact, the government have already initiated a series of measures in the critical areas to streamline the present processes, practices and procedures so that the irritants to development are removed.

16. In view of the shortfalls in the earlier three Annual Plans, while finalising the Annual Plan for 2000-01 the emphasis of the Planning Commission was to formulate a realistic plan based on the expected resources. Thus, for the Annual Plan 2000-01, a Core Plan with an outlay Rs.9025.00 Cr. was approved in the meeting held on 30<sup>th</sup> May, 2000 between the Planning Commission, Government of India and the State Government. This plan size is 20.8% less than the approved plan outlay of Rs.11400.00 Cr. of the previous year but higher by 37.4% over the actual plan expenditure (Rs. 6568.87 Cr.) of the same year. In this meeting the Planning Commission also agreed to the Budgeted Plan size of Rs. 10393.54 Cr.,

proposed by the State Government, contingent upon the availability of stipulated resources. The funding pattern of the Core Plan outlay from different sources is indicated below :-

**Approved scheme of Financing**

		(Cr. Rs.)
Item		Annual plan 2000-2001
<b>A-</b>	<b>State's Own Resources (1to 9)</b>	<b>3133.90</b>
1	Balance from Current Revenues	-5148.70
2	Contribution of Public Enterprises	145.65
	(i) State Electricity Board	216.13
	(ii) Road Transport Corporation	-70.48
3	State Provident Fund	1904.71
4	Misc Capital Receipts	-311.61
5	Special Grants under TFC	399.16
	(i) Upgradation Grant	41.89
	(ii) Grants for Special problems	27.00
	(iii) Grants for Local Bodies	330.27
6	Loans against Small Savings	3200.00
7	Net Market Borrowings (SLR)	1568.44
8	Negotiated Loans and other Finances	1198.38
	(i) LIC	333.49
	(ii) GIC	118.00
	(iii) NABARD	5.60
	(iv) REC	64.60
	(v) IDBI	33.10
	(vi) Other (RIDF)	643.59
9	Debenture/Bond	177.87
<b>B.</b>	<b>Central Assistance (10 to 18)</b>	<b>5891.10</b>
10	Normal Central Assistance	2085.93
11	Additional Central Assistance for EAP	2055.46
12	Additional Central Assistance for PMGY	
	- Excluding rural roads	348.91
	- For rural roads	358.76
13	Additional Central Assistance for NSDP	44.12
14	Additional Central Assistance for AIBP	350.00
15	Additional Central Assistance for Roads & Bridges	110.06
16	Additional Central Assistance for BADP	12.00
17	Special Hill Assistance (SHA)	470.86
18	Additional Central Assistance for urban infrastructure ( for Kumbh Mela)	55.00
	<b>Approved Plan Resources</b>	<b>9025.00</b>

17. Following are the salient features of the proposed funding pattern for the Annual Plan 2000-2001.

- The share of State's own resources<sup>6</sup>, at Rs.3133.90 Cr., is 34.7% of the plan outlay. The share is much too low, keeping in view the contributions from this source in the recent past, the stipulated contribution from this source would materialize only when constant vigilance is exercised to ensure that the negative contribution of balance from current revenues does not exceed the indicated level (Rs.5148.70 Cr.), and the State Electricity Board ( now the U.P. Power Corporation Ltd.) does not fail to contribute its share of Rs.216.13 Cr.
- Another priority area of the plan is Basic Minimum Services (BMS), launched in 1996-97. To focus on selected Basic Minimum Services, a new initiative, viz., the Prime Minister's Gramodaya Yojna (PMGY) has been taken up from the current year 2000-2001 in order to achieve the objective of sustainable human development at the village level. Additional central assistance for the same is being provided under two components, rural roads and other programmes of primary health, primary education, shelter, drinking water and nutrition. Central assistance for PMGY, at Rs.707.67 Cr., is substantially higher than the assistance for BMS in the previous Annual Plans.
- The share of total central assistance, at Rs.5891.10 Cr., is 65.3% of the plan outlay. Within this assistance, the assistance for externally aided projects alone, at Rs.2055.46 Cr., accounts for a share of 34.9% and together with similar programme specific assistance of Rs.1749.71 Cr. (29.7%), leaving a small share of 35.4% for normal central assistance, at Rs.2085.93 Cr., which is the State's entitlement under the modified formula. Here also, the State will have to exercise utmost vigilance to maintain the tempo in respect of the externally aided projects for which a provision of Rs.2208.86 Cr. has been made in the Annual Plan, along with the other resource specific programmes to be able to draw upon the allocated central assistance of Rs.3835.64 Cr. (2085.93+1749.71) fully.

18. The distribution of plan outlay for 2000-01 under the Major Heads of Development as against the last year's outlay is given below :-

(Rs. in Cr.)

Major Heads of Development	1999-2000		2000-01 Proposed Outlay	% Increase or Decrease in 2000-01 over 1999-2000 Expenditure
	Outlay	Expenditure		
<b>Economic Services</b>	<b>8956</b>	<b>5011</b>	<b>7127</b>	<b>42.2%</b>
	<b>(78.6)</b>	<b>(76.3)</b>	<b>(79.0)</b>	
1. Agriculture & Allied Activities	843	612	824	34.6%
2. Rural Development	1296	1057	960	-9.2%
3. Special Area Programme	200	154	200	29.9%
4. Irrigation & Flood Control	1006	756	962	27.2%
5. Energy	2111	1062	1509	42.1%
6. Industry & Minerals	75	75	69	-8.0%
7. Transport	1525	1210	989	-18.3%
8. Science, Technology & Environment	252	51	109	113.7%
9. General Economics Services	1648	34	1505	
<b>Social Services</b>	<b>2419</b>	<b>1541</b>	<b>1856</b>	<b>20.4%</b>
	<b>(21.2)</b>	<b>(23.5)</b>	<b>(20.6)</b>	
Of which				
- Education	651	554	401	-27.6%
- Medical & Public Health	429	119	302	153.8%
- Water Supply & Sanitation	698	405	537	32.6%
<b>General Services</b>	<b>25</b>	<b>17</b>	<b>42</b>	<b>147.1%</b>
	<b>0.2%</b>	<b>0.3%</b>	<b>0.5%</b>	
<b>Total</b>	<b>11400</b>	<b>6569</b>	<b>9025</b>	<b>37.4%</b>
	<b>(100.0)</b>	<b>(100.0)</b>	<b>(100.0)</b>	

( ) indicates percentage share in total

19. Some of the highlights of the distribution of outlays for Annual Plan 2000-2001 under 'Major Heads of development' are as follows :-

- The outlay for Irrigation and Flood Control, Energy and Transport, the three main sectors of economic infrastructure aggregate to a total of Rs.3460.00 Cr. (962+1509+989), which works out to 38.3% of the plan outlay. The outlays for Education and Medical and Public Health including Water Supply and Sanitation make a total of Rs. 1240 Cr. (401+302+537) which is 13.7% of the plan outlay. The outlays for economic and social infrastructure sectors total to Rs.4700 Cr., comprising 52.1% of the total outlay.
- There are substantial increases in the outlays for Power (42.1%), Irrigation (27.2%) Agriculture and allied activities (34.6%) and Science, Technology and Environment (113.7%) over the expenditure of 1999-2000, under Economic services and in Water Supply and Sanitation (132.6%) under Social services.
- There is a significant increase of 42.2% in the outlay over the expenditure in 1999-2000, for Economic Services against an increase of 20.4% for Social Services, as a result of which the share of outlay for Economic Services, at Rs.7127 Cr., in the total outlay has gone up by 0.4%, from 78.6% in 1999-2000 to 79% in 2000-01, with the share of Social Services coming down marginally from 20.6% to 21.2%.

20. The details of physical targets of the Annual Plan are given in Statement II in Volume II of the Annual plan. However, some of the key targets are given below together with the achievements of the last three years to facilitate insight into what the Annual Plan seeks to achieve in some of the main areas:

#### Some Key Targets of Ninth Plan

Item	Unit	1996-97	Ninth Plan target (Level)	Achievement (1999-2000) (Level)	Target (2000-01) (Level)
<b>I- AGRICULTURE</b>					
1. Food Grains Production	Lakh.tonnes	423.78	545.00	452.38	510.00
(a)Kharif	Lakh.tonnes	152.44	195.00	161.91	185.00
(b)Rabi	Lakh.tonnes	271.34	350.00	290.47	325.00
(i) Cereals	Lakh.tonnes	397.61	508.30	426.48	474.00
- Paddy	Lakh.tonnes	117.51	150.50	129.11	142.00
- Wheat	Lakh.tonnes	240.50	309.00	259.76	284.50
(ii) Pulses	Lakh.tonnes	26.17	36.70	25.90	36.00
2. Oilseeds Production	Lakh.tonnes	15.46	25.00	13.16	22.00
3. Potato Production	Lakh.tonnes	90.79	107.32	100.54	99.95
4. Sugarcane Production	Lakh.tonnes	1480.86	1625.00	1320.00	1574.80
5. Cropped Area					
(a) Gross	Lakh Ha.	261.29	270.00	264.00	265.00
(b) Net	Lakh Ha.	174.75	175.00	175.50	176.00
6. Cropping Intensity	%	150.0	154.0	150.0	151.0

Item	Unit	1996-97	Ninth Plan target (Level)	Achievement (1999-2000) (Level)	Target (2000-01) (Level)
7. Productivity of					
(a) Rice	Qtl/Ha.	21.13	26.17	21.76	23.87
(b) Wheat	Qtl/Ha.	26.68	32.70	27.64	30.11
(c) Potato	Qtl/Ha.	227	239	229	237
(b) Sugarcane	Qtl/Ha.	589.05	650	600	635
<b>II-ANIMAL HUSBANDRY</b>					
1. Production of					
(a) Milk	Lakh.tonnes	123.88	173.75	143.39	162.38
(b) Egg	Cr.	70.00	112.74	81.33	102.49
(c) Fish	Lakh.tonnes	1.50	2.00	1.93	2.45
<b>III- IRRIGATION</b>					
1. Irrigation Potential	Lakh Ha.	287.25	303.17	299.47	304.95
2. Irrigated Area					
(a) Gross	Lakh Ha.	174.68		173.22*	
(b) Net	Lakh Ha.	120.00		120.12*	
3. Irrigation Intensity	%	145.56		144.21*	
4. Gross Irrigated Area as against gross cropped area	%	66.85		66.51*	
<b>IV- POWER</b>					
1. Installed Capacity	MW	8371.50	9418.50	8487.49	8552.94
(a) Hydro	MW	1750	1978	1743.49	1757.94
(b) Thermal	MW	6622	7441	6744	6795
2. Plant Load Factor	%	49.3	60.0	50.56	58.26
3. T&D Losses	%	24.9	20.3	25.1	24.7
4. Electrification of Villages	No.	87079	112804	89117	89517
5. Energisation of Private Tubewells/ Pumpsets	No.	746596	846596	785427	795381
<b>V- INDUSTRY</b>					
Industrial Production Index (1993-94=100)	%	116.1		161.0**	

Item	Unit	1996-97	Ninth Plan target (Level)	Achievement (1999-2000) (Level)	Target (2000-01) (Level)
<b>VI-TRANSPORT</b>					
1.Surface Roads					
(a) Rural Roads	Km.	42449	170153	61600	66710
(b) Other Roads	Km.	45968	45968	44668	45668
2.Connectivity of Villages	No.	56866	112101	64864	67292
<b>VII-EDUCATION</b>					
1. School					
a) Junior Basic	No.	92423	97867	98040	100293
b) Senior Basic	No.	18075	22138	21306	21684
c) High School	No.	6432	6507	6532	6532
d) Higher Secondary	No.	3569	3594	3609	3609
<b>VIII-MEDICAL AND PUBLIC HEALTH</b>					
1. Sub Centres	No.	20153	20374	20153	20153
2. Primary Health Centres	No.	3725	3889	3900	3909
3. Community Health Centres	No.	288	502		40
4. Hospitals/ Dispensaries					
a) Allopathy	No.	1755	1770	1758	1771
b) Ayurvedic/Unani	No.	2801	3351	3101	3186
c) Homeopathy	No.	1159	2080	1414	1704
5. Birth Rate	Per.Th.	34.00	30.00	-	30.00
6. Death Rate	Per.Th.	10.2	9.00	-	9.00
7. Infant Mortality Rate	Per.Th.	85.00	70.00	-	70.00
<b>IX-WATER SUPPLY</b>					
(i). Rural Water Supply					
Basties covered/ partially covered	No.	204213	274641	268857	273725
(ii). Urban Water Supply					
Towns covered/ partially covered	No.	622	681	664	682

\* related to 1997-98

\*\* related to 1998-99



21. The proposals of Annual Plan 2000-01 in respect of some selected sectors are described briefly in the paragraphs which follow:

- |                                      |                              |
|--------------------------------------|------------------------------|
| 1- Agriculture and Allied Activities | 5- Transport                 |
| 2- Industry                          | 6- Education                 |
| 3- Power                             | 7- Medical and Public Health |
| 4- Irrigation                        | 8- Water Supply              |

### **Agriculture and Allied Activities**

22. The growth in agriculture sector not only determines the overall growth rate of economy but also has considerable impact on employment generation and alleviation of poverty. Uttar Pradesh ranks first in food production, contributing about 21.2 percent to the total foodgrain production in the country during 1996-97.

23. About 73.8% of the land holdings in the State are marginal and about 15.5% are small. Thus, about 89% holdings in the State are small and marginal. These small and marginal holdings do not easily permit mechanisation of agriculture. Besides, the agriculture in the State depends mainly on the vagaries of weather. These factors adversely affect the agricultural production. The productivity of foodgrains in Uttar Pradesh was 20.83 qtl./ha. in 1996-97 which was far below the productivity level of Punjab (37.87) and Haryana (38.43). This is a great challenge for the State and would require some innovative efforts on the part of agriculture planners and universities.

24. During 1980-81 to 1996-97, the total foodgrain production in the State grew at a rate of 3.84% per annum, while the rate of growth registered a marginal decline during the Eighth Five Year Plan, when it registered a growth of 3.65% per annum. The foodgrain production in 1996-97, the last year of Eighth Five Year Plan was 424 lakh tonnes against 389 lakh tonnes during 1995-96. The target of foodgrain production for the Ninth Plan (1997-2002) has been fixed at 545 lakh tonnes.

25. While the achievement in the year 1997-98 and 1998-99 stood at 416.79 lakh tonnes and 404.31 lakh tonnes respectively, below the level attained in the base year, 1996-97, it rose to 452.38 tonnes in 1999-2000. This is the highest production ever achieved. The oil seed production in 1997-98 and 1998-99 was 10.01 lakh tonnes and 10.89 lakh tonnes respectively which is expected to reach 13.16 lakh tonnes in the year 1999-2000.

26. The State Government has planned for the doubling food production by 2007. With a view to achieve this target, efforts are being made to enhance the net cultivated area and for the improvement in production technology alongwith better resource utilization. Against this background, the proposed targets of foodgrain and oil seed production for the year 2000-01 have been fixed at 510 lakh tonnes and 22 lakh

tonnes respectively. Based on the past trend and a target of 5.1% growth in agriculture and allied activities during the Ninth Plan, the following targets have been fixed under various items:

**Some Significant Targets of Agriculture and Animal Husbandry**

Item	Unit	(1996-97) Level	Ninth Plan		Three years (1997-2000)	
			Target (2001-02 level)	Average Annual Increase (%)	Achievement (1999-2000 level)	Average Annual Increase (%)
<b>A. Agriculture Production</b>						
<i>1. Foodgrains</i>						
(i) Production	Lakh tonnes	423.78	545.00	5.70	452.38	2.2
(ii) Yield	Qtl./Ha.	20.84	26.27	5.20	21.82	1.6
<i>2. Pulses</i>						
(i) Production	Lakh tonnes	26.17	36.70	8.10	25.90	(-)0.3
(ii) Yield	Qtl./Ha.	9.29	12.53	6.90	9.58	1.0
<i>3. Oilseeds</i>						
(i) Production	Lakh tonnes	15.46	25.00	12.30	13.16	(-)5.0
(ii) Yield	Qtl./Ha.	8.93	12.94	8.90	8.76	(-)0.6
<i>4. Potato</i>						
(i) Production	Lakh tonnes	90.79	107.32	3.60	100.54	0.6
(ii) Yield	Qtl./Ha.	227.00	239.00	1.10	229.00	0.6
<i>5. Sugarcane</i>						
(i) Production	Lakh tonnes	1480.86	1625.00	1.90	1320.00	(-)3.6
(ii) Yield	Qtl./Ha.	589.05	650.00	2.10	600.00	0.6
<b>B Critical Inputs for Agriculture</b>						
1. Gross Irrigated Area (1994-95)	Lakh Ha.	174.68	-	-	173.22	
2. Cropping Intensity	%	150.00	154.00	5.00	150.00	
3. Improved Seeds distribution	Th.Qtl.	12.11	19.12	11.60	14.91	7.7
4. Chemical Fertilizers (NPK)	Lakh tonnes	27.69	40.73	9.40	33.45	0.8
<b>5. Co-operative Credit</b>						
(i) Long Term	Cr.Rs.	365.73	520.00	8.40	508.34	12.9
(ii) Medium Term	Cr.Rs.	9.52	48.00	80.80	1.96	(-)26.5
(iii) Short Term	Cr.Rs.	863.52	2175.00	30.40	1039.89	6.8
<b>C. Live-stock</b>						
1. Milk Production	Lakh tonnes	123.88	173.75	8.10	143.39	5.2
2. Egg Production	Cr.	70.00	112.74	12.20	81.33	38.7
3. Fish Production	Lakh tonnes	1.50	2.00	6.70	1.93	9.5

27. The first year of Ninth Plan, 1997-98 witnessed a negative growth of (-) 2.7% in agriculture compared to 1996-97, the last year of Eighth Plan, as its base year when growth was exceptionally high. During the second year 1998-99, the growth rate was still low at 1.4%, falling substantially short of the targetted growth rate of 5.1% during the Ninth Plan. A perusal of the comparative levels<sup>7</sup> of agriculture production in the first three years of the Ninth Plan shows that as against the target of foodgrains production for the Ninth Plan of 545 lakh tonnes the achievement in the years 1997-98 and 1998-99 stood at 416.79 lakh tonnes and 404.31 lakh tonnes respectively. The shortfall in the case of oil seeds and the high value crops was much greater and this was largely the reason for the negative growth. The production of oilseeds fell by 35.3%, from 15.46 lakh tonnes in 1996-97 to 10.01 lakh tonnes in 1997-98 and then rose by 8.8% and 20.8 % in 1998-99 and 1999-2000 respectively and reached the level of 13.16 lakh tonnes in 1999-2000, which was still lower than the level achieved in the base year 1996-97. Under commercial crops, the production of potato rose by 0.7% from 90.79 lakh tonnes to 90.15 lakh tonnes in 1997-98 but went down to 84.38 lakh tonnes in 1998-99. In 1999-2000 it again went up to 100.54 lakh tonnes. The production of sugarcane fell by 9.9%, from 1480.86 lakh tonnes in 1996-97 to 1334.21 lakh tonnes in 1997-98, and to 1217.36 lakh tonnes in 1998-99. It improved to 1320 lakh tonnes in 1999-2000 but was still behind the production in 1996-97.

28. The State Government has declared its *Agriculture Policy* which aims at achieving a growth of 5.1% per annum for foodgrain production during the Ninth Plan. Infrastructure development which sustains agriculture growth has also been proposed in this policy document.

29. Following specific areas have been given priority in the Agriculture Policy:

- Identification of foodgrain cropping systems to ensure food security.
- Diversification of farming systems for greater employment generation, higher household incomes and reduction of poverty.
- Sustainable use of land and water with emphasis on dry land rainfed farming.
- Strengthening agricultural research and education.
- Restructuring agricultural extension.
- Expansion of rural infrastructure by increasing public and private sector investment.
- Revitalization of rural credit institutions.
- Mobilizing resources for increased public investment in agriculture.
- Promotion of agricultural export.
- Fostering greater participation of user communities and safeguarding the interest of the poor.
- Irrigation:

30. Timely availability and utilisation of irrigation facilities improves the agricultural output.. Total irrigated area in the State till the year 1997-98 was 173.22 lakh ha. against the total cultivable area of 260.45 lakh ha..

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<sup>7</sup> Annexure - 7

31. In order to cope with the increasing demand on water and the need for its scientific management, the State has formulated a Water Policy during the year 1999-2000. The broad objectives of this policy are preservation and optimal utilisation of available water for various purposes, proper management of water resources, maintenance of water quality, basin and sub-basinwise conjunctive use of surface and ground water, maximum hydro-power generation within the constraints imposed by other users, ecological and environmental factors, ensuring equality and social justice among individuals and group of users.

### **Industry And Minerals**

32. Uttar Pradesh is witnessing the transition of a predominantly agricultural economy to an agro-industrial economy. Although the State Government has been making the most judicious use of available resources for ensuring rapid development of the State, but owing to constraints of required capital, infrastructure, entrepreneurship, etc., the economy of Uttar Pradesh still continues to be industrially backward.

33. The contribution of registered and unregistered industries to the total income of manufacturing sector which was 39% and 61% in 1950-51 had almost reversed by 1996-97 to about 60% and 40% respectively, indicating a comparatively faster growth of the registered sector.

34. At the end of First Five Year Plan number of small scale industries and large and medium industries in the State were 1647 and 62 respectively. However, the corresponding number at the end of the Eighth Plan was found to be 410973 and 1956 respectively. Their respective contribution in employment generation was estimated at 21.64 lakh and 6.12 lakh at the end of the Eighth Plan against 0.30 lakh and 0.25 lakh at the end of First Plan.

35. The annual growth of industrial sector for the Ninth Plan (1997-2002) is targetted at 12% with an outlay of Rs.526.65 Cr. During the plan period, 2 lakh SSI units and 3075 units of large and medium industries are proposed to be set-up in the State with an employment content of 8 lakh and 6 lakh respectively.

36. Considering the vital role of small scale industries in the State's economy, special emphasis has been laid on the promotion and development of small industries. Besides, Uttar Pradesh Trade Promotion Authority (UPTPA) has been constituted for encouraging their increased participation in National and International Fairs. There were 503949 SSI units with an investment of Rs.3888.00 Cr. providing employment to 23.95 lakh persons as at the end March, 2000. The target for the year 2000-01 of establishing new SSI units is fixed at 33000. As regards large and medium units in the State, there are 2281 units employing 7.23 lakh person with a capital investment of Rs.37740.47 Cr. by the end of 1999-2000. In this context, it is worth mentioning that Uttar Pradesh still continues to maintain the third position in respect of the total number of Industrial Entrepreneurial Memorandum/Letters of Intent (IEM/LOI) in the country, next only to Maharashtra and Gujarat. However, there is a wide gap between the number of IEM/LOI issued and their actual conversion into units established which is mainly because of inadequate power availability and lack of other infrastructural facilities.

37. In the Industrial sector, Handloom, Khadi and Village industries and Sericulture have been assigned a significant role by the State Government because of their vast potential for employment. It is estimated that 7.10 lakh weavers are earning livelihood in the State . In order to give impetus to the Handloom Sector, an outlay of Rs.31.02 Cr. has been envisaged for the Ninth Plan. For 2000-01, an outlay of Rs.10.92 Cr. has been proposed. Similarly, under Khadi and Village Industries, a total number of 2.85 lakh units had been set up by the end of Eighth Plan creating employment opportunities for 6.37 lakh entrepreneurs in the rural areas. During the Ninth Plan period, a total number of 1.63 lakh employment opportunities are likely to be generated through the establishment of 85000 KVIC units. During the first three years of the Ninth Plan, i.e. 1997-2000, 10700 units were established providing job opportunities to 59000 persons . For the year 2000-01, a total of 4000 units are proposed to be set up which are likely to generate employment for 22,000 entrepreneurs.

38. In Sericulture, a total outlay of Rs.43.00 Cr. has been provided in the Ninth Plan. A target of 575 tonnes of raw silk production has been set out for the Ninth Plan which would benefit 1.17 lakh rearer families. During 1997-2000, 136.55 tonnes of silk was produced and 62000 rearers benefitted. The total plan outlay proposed for 2000-01 is Rs.5.08 Cr. with a target of raw silk production of 80 tonnes covering 54000 beneficiaries.

39. The electronics industry in the State witnessed a rapid growth in the 1980's and occupied the top position in the country till 1991 and is poised for the better performance in the years to come. In the Ninth Plan, the thrust area is Information Technology (IT), which is of-late reckoned as the major development area in the State. Keeping in view the boom in IT Industry, U.P. Electronic Corporation has devised several major schemes in the IT Sector. Important schemes proposed for 1999-2000 include the Smart City Project, at Lucknow, Allahabad and Gautam Budh Nagar (NOIDA).

40. As per the priorities laid down for the Ninth Plan, main emphasis during the Annual Plan, 2000-01 would be on stepping up the development of minerals and growth of mineral based industries in the State. An outlay of Rs 0.56 Cr. has been envisaged for the mineral sector. New schemes proposed for the Annual Plan are Strengthening of Geo-physics and Geo-chemistry Wings, Strengthening of Mines and Administration Wing and Compilation and Computerisation of Geological and Mineral Data and its Publication.

41. The State Government also announced the New Industrial Policy in 1998 which seeks to facilitate the fulfilment of the following targets by the year 2003 by creating an industry oriented and investor friendly environment at all levels:-

- Increase in employment in industrial and allied sector from the present level of 8% to 15%.
- 10% to 12% annual rate of growth in the industrial sector.
- Raise the share of industry in the net domestic product from the existing 20% to 25%.

42. The strategic points indicated in the industrial policy relate to formulation of industry specific tailor made packages, review of tax structure, preservation of environment and cultural heritage, revitalisation of existing investments to make them more productive, upgradation of technical and entrepreneurial skills, promotion of exports, inviting foreign and NRI investments etc. Highest priority

will be provided by the State to the creation of high quality infrastructural facilities. For this, the proposed three pronged strategy comprises private sector participation in major infrastructure projects through infrastructure initiative fund, association of multilateral agencies and international financial institutions, upgradation of existing infrastructure and corridors to develop as areas of excellence. Besides, all units situated in the industrial estates, units situated outside the industrial estate with an investment of more than Rs.50.00 Cr. and all export oriented units will be provided continuous power supply through dedicated feeders. This facility will also be provided to Electronics, Agro-based and Food Processing Industries with an investment of Rs.10.00 Cr. and above. The State will also facilitate the access of industry to various factors of production viz. land, capital, manpower and technology at competitive rates.

43. There are two other aspects concerning this sector which we must take note of :

- One, the share of income from unregistered manufacturing sub-sector in the total income of manufacturing sector has declined over time. The share of this sector in total state income was 9.6% in 1980-81, out of which the share of unregistered sub-sector was 5.3% and the share of registered sub-sector 4.3%. The share of unregistered sub-sector has continued to decline and the share of registered sub-sector has continued to rise. In 1998-99, out of the combined share of 12.3 % of the manufacturing sector in total state income, the share of unregistered sub-sector was 5.1% and the share of registered sub-sector 7.2%. There has been reversal of roles of these sub-sectors in their contributions to this sector, the contribution of unregistered sub-sector coming down from 55% in 1980-81 to 41% in 1998-99 and the contribution of registered sub-sector going up from 45% to 59% in the same period. The unregistered sub-sector comprises village and small industries in particular, which are labour intensive compared to the industries under registered sector, which are less labour intensive and more capital intensive.
- Two, the Industrial Production.<sup>8</sup> Index for 1997-98 shows a marginal rise of 4.8%, from 116.1 to 121.6 (with 1993-94=100) and in 1998-99 it moved to 161.0 showing a rise of 32.4% . However, what is more significant about this Index are the variations in the performance of different groups of industries. While there are some traditional industries with higher weights which have performed poorly, there are others, the more modern ones but with lower weights which have performed better. The food manufacturing and cotton textile industries, more particularly, the cotton textiles have not performed well. The non metallic mineral products, leather and fur products, chemicals (except petroleum and coal products), jute and mesta and basic metal and alloys industries are some of the industries which have performed quite well.

## **Infrastructure**

44. Just as growth is a function of investment, the development of infrastructure is a necessary condition for a higher and sustained growth. It is an activity which involves huge costs and has been financed mainly by the public sector, until in the more recent years when steps have been taken to involve the private sector also in this activity. Even though it is too early to comment on the success of these steps,

one cannot fail to observe that the private sector has still to make its presence felt in this area and that it is very unlikely for the public sector to withdraw from this activity altogether in the near future. The infrastructure for economic development, also known as economic infrastructure, comprises mainly three sectors. viz., power, irrigation and transport.

## **Power**

45. Power is the most critical sector in economic infrastructure. The health of this sector and its contribution to economic and social development can be assessed by the per capita consumption of electricity. The per capita consumption of electricity was 207 kwh in Uttar Pradesh in 1995-96, against the all India average of 334 kwh, which was the lowest amongst all major States except Bihar.

46. The installed capacity for generation of power in the State in 1950-51 was 184 MW, which was 10.7% of the total capacity in the country. In 1997-98, the installed capacity in the State was 6057.5 MW and its share in the total capacity of the country, came down to 6.8%. Even after adding the State's share in the central sector projects to its capacity, it works out only to 9.1% of the country's total capacity.

47. The installed capacity created in the State's public sector at the end of Eighth Plan was 6057.5 MW. Ninth Plan envisages a capacity addition of 249 MW in public sector, comprising 139 MW of Hydro and 110 MW of Thermal. In the first three years, 6 MW of mini/micro hydro and 110 MW of Tanda thermal project were added, raising the capacity to 6173.50 MW by 31st March, 1999. In this period, Harduaganj 'A' (90 MW) thermal power house was deleted from the State's capacity on account of the retirement of this power house. During 1999-2000, installed capacity has gone down to 5611.50 MW on account of the transfer of Tanda Thermal Power House (440 MW) to NTPC and retirement of Panki Power House (32 MW).

48. The State has a vast hydro electric potential of an order of 9744 MW, of which only 1504 MW has been developed by now. On-going Hydro Project of Maneri Bhali II (304 MW) and Lakhwar Vyasi (420 MW), which had been delayed, are now poised for speedy completion. The first unit of 250 MW of Tehri Multipurpose Project (1000 MW) is being implemented in the joint sector with the help of Tehri Hydro Development Corporation is expected to fructify by the end of the Ninth Plan. The share of the State is 550 MW for which a sum of Rs. 200 Cr. as the State's share has been proposed in the Annual Plan 2000-2001 in conformity with the funding pattern.

49. For promoting private participation in power generation, 45 Power Purchase Agreements for a total capacity of 2303.72 MW have been signed in order to increase the installed capacity in the State.

50. Apart from inadequate development of power in the State, inefficiency in capacity utilization of thermal plants and high transmission and distribution losses have made the situation still worse. The plant load factor of thermal plants (PLF) in the State has been far from satisfactory. In 1996-97, the PLF in the State was 49.2% whereas the all India average was 60.3%. During this period, Andhra Pradesh recorded the highest PLF of 78.3%. By the end of first three years of the Ninth plan, the PLF is likely to be

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<sup>8</sup> Annexure - 8

improved to 50.6%. The problems arising from inadequate power generating capacity coupled with a low plant load factor have been further compounded by high transmission and distribution losses.

51. Out of 1,12,804 villages in the State, the level of village electrification by the end of Eighth Five Year Plan was 87,079 by CEA definition. This increased to 89,117 by the end of 1999-2000. The levels of village electrification as per LTM at the end of the Eighth Five Year Plan and at the end of first three years of the Ninth Plan were 57,734 and 65,027 respectively.

52. As a part of the new Energy Policy, reforms in the power sector are being taken up on top priority. Uttar Pradesh Electricity Reforms Act has been notified. A Electricity Regulatory Commission has already been established in the State. The erstwhile UPSEB has been split into three Government owned legal entities in the first phase, viz : Uttar Pradesh Power Corporation Ltd, U.P. Vidyut Utpadan Nigam Ltd. and U.P. Jal Vidyut Nigam Ltd.

### **Irrigation**

53. There is a lot of similarity between Punjab , Haryana and Uttar Pradesh in terms of land and water resources which are most material for agriculture. There are still large differences in productivity of food grains in these States. These differences can be explained , to a very large extent, on account of disparities in irrigation facilities in these States. The gross irrigated area as a percentage of gross sown area in 1992-93 was 95% in Punjab, 76% in Haryana and 62% in Uttar Pradesh. In 1997-98 the gross irrigated area was 173.22 lakh hectares while the net irrigated area was 120.12 lakh hectare in the State.

54. The non-exploitation of available potential for irrigation and underutilisation of capacities already created in the State for irrigation alongwith the problems of inadequate irrigation and constraint of resources is matter of great concern and must receive more attention, than in the past for the development of agriculture.

55. An outlay of Rs.3290.12 Cr. has been earmarked in the Ninth Plan for Irrigation and Flood Control. In the first three years an expenditure of Rs.1954.25 Cr. has been incurred. For Annual Plan 2000-2001, an outlay of Rs.962.04 Cr. has been proposed. During the Ninth Plan, 14 major irrigation projects and 7 medium irrigation projects are targetted to be completed. In the first three years, 2 major irrigation and 4 medium irrigation projects have been completed. In Annual Plan 2000-2001, 6 major irrigation and one medium irrigation projects are targetted for completion.

### **Roads and Bridges**

56. Road connectivity in the urban and rural areas and the village link roads are of great importance for all economic and social activities. The network of rural roads is necessary for providing basic services and improving the quality of life in the rural areas. In terms of the Lucknow Road Plan (1981-2001) the State aims at constructing 3.55 lakh kms of roads. As against this, total length of road constructed till March, 1999 was roughly 2.00 lakh kms. Till the end of the Eighth Plan a total of 1.91 lakh kms. road length was constructed and 56866 villages out of 112803 total villages in the State were connected by



painted roads. During the Eighth Plan period, an expenditure of Rs. 2217.59 Cr. was incurred against the total outlay of Rs. 1754 Cr. in Road and Bridges sector.

57. In the Ninth Plan (1997-2002) emphasis has been laid on connecting the remaining unconnected villages and improving the existing road infrastructure. For this, priority has been accorded to widening of state highways, constructing by-pass roads in important towns and widening and strengthening of major district roads and construction of the district roads. An outlay of Rs. 9614.13 Cr. has been allocated for the road sector in the Ninth Plan out of which Rs.7588.29 Cr. is for village connectivity under Basic Minimum Services Programme.

58. In the first year of the Ninth Plan 1997-98, an outlay of Rs. 822 Cr. was fixed for the road sector against which an expenditure of Rs. 724.91 Cr. was incurred. In the year 1998-99, an outlay of Rs. 1291.75 Cr. was fixed against which an expenditure of Rs. 1162.92 Cr. was incurred. For the year 1999-2000, approved outlay was Rs. 1438.04 Cr. against which an expenditure of Rs. 1161.38 Cr. was incurred. The proposed outlay for the Annual Plan 2000-2001 is Rs. 975.44 Cr. During the first three years of the Ninth Plan 1997-98 and 1998-99, 1633 kms of State Highways were converted into National Highways and the target for the Annual Plan 2000-2001 is 300 kms..

59. The State Government has announced its State Road Development Policy in 1998-99, which lays down the priorities for the road sector meant for the improvement of existing infrastructure facilities in the State.

60. The State will, thus, have to provide adequate resources in the public sector for quite some time to come for financing the development of infrastructure. This is particularly true of economically backward State like Uttar Pradesh, where infrastructure is weak and inadequate, impeding the entire process of growth and development.

## **Education**

61. The State is committed to the objectives of community empowerment and the holistic model of development where growth is built upon people's participation and aspirations. The State's plan objectives focus upon investing in social-infrastructure, strengthening social security and improving social capital. The State Government is developing reporting practices, data-bases and documentation to support decentralised community-oriented planning. In this regard it can be aptly stated that education is one of the major components that influences health, hygiene, demographic profile, productivity, and all other indicators which are connected with the quality of human life. The level of literacy of the society is one of the important yardsticks to measure the standard of living and the vision of society for future. Although the gains from education can not be quantified, nevertheless, the fruits of education can be realised by the masses. It is, therefore, inevitable that wide participation of the masses must be achieved to expand and strengthen the education sector. The total literacy rate of Uttar Pradesh in the year 1951 was 10.9% which rose to 41.5% in 1991 and as per NSSO data of 1997, it has reached the level of 56.0% in the State as against the country's level of 62% in 1997.

62. In the year 1950-51, the enrolment in the Junior Basic Schools and in the Senior Basic Schools was 184.00 lakh and 69.82 lakh respectively, During 1999-2000, the enrolment in the Junior Basic Schools and Senior Basic Schools had risen to the level of 210.92 lakh and 83.14 lakh respectively. In the year 1950-51, the number of Junior Basic Schools and Senior Basic Schools was 31979 and 2854 respectively. In the year 1999-2000 the number of Junior Basic Schools and Senior Basic Schools has risen to 98040 and 21306 respectively. There is an inevitable need for improving the quality of education and taking education to the unserved areas of the State. The State Government is committed to the objective of universalisation of primary education.

63. In pursuance of the National Policy on Education, various schemes were launched during the Eighth Five Year Plan. To implement these schemes, an outlay of Rs.726.97 Cr. was approved and Rs.1026.62 Cr. utilised during this Plan. As at end March 1997, the level of enrolment in the Junior Basic Schools and in the Senior Basic School was 184.00 lakh and 69.82 lakh respectively, whereas the number of Junior Basic Schools and Senior Basic Schools was 92423 and 18075 respectively.

64. In the secondary classes, the level of enrolment in Class IX-X and in Class XI-XII as at the end March, 1997 was 28.44 lakh and 15.89 lakh respectively, where as the number of High Schools and Higher Secondary Schools was 2863 and 3569 respectively.

65. For the Ninth Five Year Plan, an outlay of Rs. 1299.00 Cr. and Rs. 201.00 Cr. for primary and secondary education was approved. The target of enrolment for Junior Basic Schools and Senior Basic Schools for the Ninth Plan has been fixed at 205.68 lakh and 124.77 lakh respectively. At the secondary level this target has been fixed at 35.12 lakh and 15.25 lakh for high school and intermediate levels respectively.

66. During the first three years of the Ninth Plan, viz. 1997-98, 1998-99 and 1999-2000 the plan expenditure in primary education was Rs.306.62 Cr., Rs. 299.55 Cr. and Rs.407.72 Cr. respectively. On the other hand expenditure on secondary education was Rs. 49.96 Cr., Rs.65.56 Cr. and Rs.70.96 Cr. respectively for the same period.

67. For the year 2000-2001, an outlay of Rs.198.08 Cr. for primary and Rs.96.66 Cr. for secondary education has been proposed. It is proposed to attain the enrolment level of 215.60 lakh and 86.00 lakh under Junior Basic Schools and Senior Basic Schools, respectively. It is proposed to reach the enrolment level of 33.04 lakh and 18.44 lakh at the high school and intermediate levels respectively.

68. The State Government, as a policy measure, has decided to fill 27000 vacant post of teachers, to establish Girls Education Mission, implement Education Guarantee Scheme, and Shiksha Mitra Scheme and to decentralise the financial and managerial powers to Panchayati Raj Institutions. At the secondary level the Government has decided to decentralise secondary education by providing attractive incentives to the private sector for establishing high schools preferably for girls.

69. The objective of technical education is to train the students in the specialized fields and to inculcate the skills which are necessary for specialised manpower. At the same time, higher education makes the students understand the various activities encompassing the global spectrum and provide them a base to stand on their feet in a highly competitive world.

70. For the Eighth Five Year Plan, an outlay of Rs.176.06 Cr. for higher education and Rs.272.40 Cr. for technical education was approved. Against this, an expenditure to the tune of Rs.113.68 Cr. and Rs.219.68 Cr. was incurred in the respective sectors during the plan period.

71. During the Eighth Five Year Plan period, thirty four new Government degree colleges were opened and 5 non government colleges were taken on grant-in-aid list. Besides, 5 regional offices of higher education were also established. Under technical education, the number of degree and diploma level institutions was 12 and 90 with an intake capacity of 2232 at degree level and 8152 at diploma level respectively during the plan period.

72. For the Ninth Five Year Plan, an outlay of Rs. 160.00 Cr. for higher education and Rs. 130.50 Cr. for technical education was approved. During the Plan period 50 new degree colleges are proposed to be established. Besides, it has been proposed to strengthen 200 degree colleges during the Ninth Five Year Plan period. Also, 5 new diploma institutions are proposed to be established under technical education sector.

73. During the first three years of the Ninth Plan, viz. 1997-98, 1998-99 and 1999-2000 an expenditure of Rs.43.20 Cr., Rs. 39.81 Cr. and Rs.40.11 Cr. respectively was incurred in the higher education sector and Rs. 50.36 Cr., Rs. 36.14 Cr. and Rs.21.05 Cr. respectively was incurred under the technical education sector. During this period, 18 new degree colleges were opened and 78 existing degree colleges were strengthened. Although no new technical degree level institution was established during these three years, the intake capacity of the technical degree level institutions was increased to 2339. Under technical education, 5 diploma level institutions were established taking the total number of diploma level institutions to 95 with an intake capacity of 8007 as at end March 2000.

74. For the Annual Plan 2000-2001, an outlay of Rs.38.20 Cr. for higher education and Rs.34.44 Cr. for technical education has been proposed. It is proposed to establish 10 new degree colleges and strengthen 80 existing degree colleges under higher education sector during this period.

### **Medical and Public Health**

75. During the Eighth Plan serious efforts were made to bring about a significant improvement in the quality of the life of the people of the State and consequently the Infant Mortality Rate (IMR) came down and the Life Expectancy Rate went up. The Birth Rate, which has quite a lot to do with the levels of literacy and education, was 35.4 per thousand in Uttar Pradesh in the year 1994. This went down to 32.4 per thousand in the year 1998. In the same year the Birth Rate for the country as a whole was 26.4 per thousand. The Death Rate which was 11.00 per thousand in Uttar Pradesh in the year 1994 marginally went down to level of 10.5 per thousand in the year 1998. In the same year the Death Rate for the country as a whole was 9.0 per thousand.

76. The Infant Mortality Rate, which is also a factor influencing the Birth Rate, was 88 per thousand in 1994. This went down to 85 per thousand in the year 1998 while it was 72 per thousand for the country as a whole.

## **Allopathy**

77. By the end of the Eighth Plan, 20153 sub centers, 3889 primary health centers and 288 community health centers were established in the State.

78. The main objectives of the Ninth Plan for the Medical and Health Sector, relate to improving the quality of primary health care services, removing regional disparities in health services, provisioning of trained manpower, improving the implementation of reproductive and child health programmes with a view to achieve the national goal of population control, and undertaking special programme for the health care of SC/ST and other weaker sections of society. For Allopathy an outlay of Rs.1016.37 Cr. has been provided in the Ninth Plan. During the first three years of the Ninth Plan an expenditure of Rs.310.92 Cr. was incurred. An outlay of Rs.257.28 Cr. has been proposed for the Annual Plan 2000-2001.

79. During first three years of the Ninth Plan, 11 primary health centers and 30 community health centers were established. The target for the Annual Plan 2000-2001, it to establish 9 primary health centers and 40 community health centers.

## **Homeopathy**

80. At the end of the Eighth Plan, there were 1159 homeopathic dispensaries in the State. A total outlay of Rs.35.26 Cr. has been provided in the Ninth Five Year Plan to establish 921 dispensaries in the urban and rural areas. During the first three years an expenditure of Rs.20.24 Cr. was incurred and 255 dispensaries were established. A total outlay of Rs. 10.72 Cr. has been proposed for the Annual Plan 2000-2001 for establishing 290 dispensaries.

## **Ayurvedic and Unani**

81. Till the end of the Eighth Plan, the State had made remarkable strides in furthering the research and development of the Indian System of Medicine through its 10 Ayurvedic and 2 Unani Colleges as well as 2801 Ayurvedic and Unani dispensaries by dispensing cheap Ayurvedic and Unani medicines.

82. An outlay of Rs.31.36 Cr. is approved for the Ninth Plan, against which an expenditure of Rs.14.50 Cr. was incurred during the first three years of the Plan. An outlay of Rs. 12.60 Cr. has been proposed for the Annual plan 2000-2001 for establishment of 20 new Ayurvedic hospitals and 65 new dispensaries. Besides, construction of residential and non residential buildings has also been proposed.

## **Water Supply and Sanitation**

83. Allocations for water supply have been made from First Five Year Plan onwards. But these provisions were far from adequate till the end of the Seventh Five Year Plan. Supply of potable water in the urban and rural areas assumed great importance from the Eighth Plan onwards. The State also started tapping resources through hitherto untapped external sources.

84. Out of a total 681 towns, 622 towns were covered with piped water supply by the end of the Eighth Plan. During the Ninth Plan, 59 towns are proposed to be covered with piped water supply. At the

beginning of the Ninth Plan, 60 towns were covered with sewage systems. The Ninth Plan envisages coverage of additional 20 towns with sewage system. During the first three years of the Ninth Plan, 4 towns have been covered with sewage systems. Low cost sanitation schemes were started to cover large number of towns with the basic objective of providing sanitation facilities in the urban slums.

85. For urban water supply and sanitation, an outlay of Rs.4706.10 Cr. has been earmarked in the Ninth Plan. In the first three years of the Ninth Plan, an expenditure of Rs.401.46 Cr. has been incurred. For the Annual Plan 2000-01, an outlay of Rs.209.76 Cr. has been proposed. Ganga Barrage, a centrally sponsored scheme, is being implemented to augment water supply and Ganga Action Support Plan, an externally aided project, is being implemented to improve the sanitation in the Kanpur City. A new externally aided project for improving water supply and sanitation in 10 big towns is proposed for World Bank assistance in the Ninth Plan, for which an outlay of Rs.1846.81 Cr. has been earmarked..

86. Rural water supply programmes in the State are being carried out, mainly under the Basic Minimum Services now merged in Prime Minister's Gramodaya Yojna. Besides, a cent percent centrally sponsored scheme of Accelerated Rural Water Supply Programme (ARWSP) is also being implemented in the State under Rajiv Gandhi Drinking Water Mission.

87. An outlay of Rs.1792.96 Cr. has been earmarked in the Ninth Plan for providing water supply and sanitation facilities in the rural areas.. In the first three years of the Ninth Plan, an expenditure of Rs.925.99 Cr. has been incurred. An outlay of Rs.327.72 Cr. has been proposed for Annual Plan 2000-01.

88. At the end of the Eighth Plan, out of 274641 habitation in the State, 204213 habitations had been covered/ partially covered with either by piped water supply or by hand pumps. The remaining 70428 habitations are proposed to be covered during the Ninth Plan. In the first three years of the Ninth Plan, 64644 habitations have been covered/ partially covered. In the Annual Plan 2000-01, the target is to cover 4868 habitations.

## Per Capita Plan Expenditure

( in Rs.)

Plan Period	Uttar Pradesh	India	Gap
First	25	38	13
Second	32	51	19
Third	72	92	20
Fourth	132	142	10
Fifth	329	361	32
Sixth	588	718	130
Seventh	1077	1270	193
Eighth	1582	2144	562
Ninth (Outlay)	3331	8968	5637

**Growth (%) in State Income during 1996-97, 1997-98 and 1998-99 over the preceding year  
(at 1993-94 prices)**

Sector/Sub-Sector	Growth rate in percentage		
	1996-97 Base Year	Ninth Plan	
		1997-98	1998-99
1	2	3	4
<b>I- Primary Sector</b>	<b>8.8</b>	<b>-2.7</b>	<b>1.4</b>
1.Agriculture and animal husbandry	9.3	-3.3	0.7
2.Forestry and logging	-1.4	4.6	5
3.Fishing	2.1	7.1	14.4
4.Mining and Quarring	13.4	8.7	15.3
<b>II- Secondary Sector</b>	<b>3.6</b>	<b>5.5</b>	<b>3.5</b>
1.Manufacturing	4.5	4.3	3
(a)Registered	0.7	5.5	5.7
(b)Unregistered	10.1	2.6	-0.9
2.Construction	4	9.9	4.4
3.Power, Gas and Water Supply	-5.5	2.8	5.4
<b>III- Tertiary Sector</b>	<b>7.5</b>	<b>5.3</b>	<b>5.5</b>
1.Transport, Communication and Trade	8.2	2.1	2.4
i- .Transport and Communication	11.8	6.7	3.2
(a) Railways	5.5	3.6	3.6
(b) Other Sources of Transport and Storage	12.6	6	1
(c ) Communication	16.6	17.1	17.1
ii- .Trading and Restaurant	6.5	-0.2	2
2.Finance and Real Estate	10.8	7	7.4
(a).Banking and Insurance	26.3	13.3	13.3
(b).Real Estate and Ownership of dwellings	1.3	2.3	2.4
3.Community and Personal Services	3.7	10.4	10
(a) Public Administration	4	19.3	5.7
(b) Other Services	3.5	5.1	12.8
<b>State Income (I+II+III)</b>	<b>7.2</b>	<b>2.2</b>	<b>3.6</b>
Per Capita Income	5	0.2	1.4

## YEARWISE OUTLAY :

Major/Sub-major head of development	Ninth Plan (1997-2002)		Annual Plan 1997-98	
	Outlay	% age Share	Outlay	% age Share
1	2	3	4	5
<b>ECONOMIC SERVICES</b>				
<b>I. AGRILAND ALLIED ACTIVITIES</b>				
Crop Husbandry	1191.50	2.57	190.44	2.66
Soil & Water Conservation	581.19	1.25	101.65	1.42
Animal Husbandry	140.00	0.30	21.91	0.31
Dairy Development	112.04	0.24	19.73	0.28
Fisheries	28.00	0.06	4.70	0.07
Forestry & Wild Life	650.00	1.40	108.40	1.51
Food, Storage & Warehousing	10.45	0.02	3.10	0.04
Agri. Research & Education	58.25	0.13	12.65	0.18
Agri. Financial Institutions	50.00	0.11	10.00	0.14
Co-operation	48.85	0.11	11.09	0.15
Other Agri. Programmes	200.10	0.43	26.78	0.37
<b>TOTAL-I</b>	<b>3070.38</b>	<b>6.63</b>	<b>510.45</b>	<b>7.13</b>
<b>II. RURAL DEVELOPMENT</b>				
Spl. programmes for R.D.			<b>139.87</b>	<b>1.95</b>
I.R.D.P. / S.G.S.R.Y.	610.64	1.32	117.20	1.64
Ganga Kalyan Yojana	25.00	0.05	5.00	0.07
D.P.A.P.	74.00	0.16	13.83	0.19
I.R.E.P.	19.00	0.04	3.84	0.05
Rural Employment			<b>455.34</b>	<b>6.36</b>
J.R.Y. / J.G.S.Y.	2404.00	5.19	384.84	5.37
Other Programmes	353.00	0.76	70.50	0.98
Land Reforms	21.10	0.05	4.58	0.06
Other R. D. Programmes	1236.06	2.67	257.27	3.59
	<b>4742.80</b>	<b>10.23</b>	<b>857.06</b>	<b>11.96</b>
<b>III. SPECIAL AREA PROGRAMMES</b>	<b>575.00</b>	<b>1.24</b>	<b>115.00</b>	<b>1.61</b>
<b>IV. IRRIGATION &amp; FLOOD CONTROL</b>				
Major & Medium Irrigation	2600.12	5.61	470.00	6.56
Minor Irrigation	490.00	1.06	112.86	1.58
Command Area Development	120.00	0.26	25.00	0.35
Flood Control and Drainage	80.00	0.17	18.15	0.25
<b>TOTAL-IV</b>	<b>3290.12</b>	<b>7.10</b>	<b>626.01</b>	<b>8.74</b>
<b>V-ENERGY</b>				
Power	7468.15	16.12	1803.22	25.17
Non-conventional Sources of Energy	76.00	0.16	15.90	0.22
<b>TOTAL-V</b>	<b>7544.15</b>	<b>16.28</b>	<b>1819.12</b>	<b>25.39</b>
<b>VI-INDUSTRY &amp; MINERALS</b>				
Village & Small Industries	204.47	0.44	43.01	0.60
Industries (Other Than VSI)	310.00	0.67	57.00	0.80
Mining	12.18	0.03	1.11	0.02
<b>TOTAL-VI</b>	<b>526.65</b>	<b>1.14</b>	<b>101.12</b>	<b>1.41</b>



## DURING NINTH PLAN

(Cr. Rs.)

Annual Plan 1998-99		Annual Plan 1999-2000		1997-2000		Annual Plan 2000-2001	
Outlay	% age Share	Outlay	%age Share	Outlay	%age Share	Outlay	% age Share
6	7	8	9	10	11	12	13
189.54	1.85	179.61	1.58	559.59	1.94	216.02	2.39
247.48	2.41	363.12	3.19	712.25	2.47	295.20	3.27
25.74	0.25	33.58	0.29	81.23	0.28	23.63	0.26
22.23	0.22	23.45	0.21	65.41	0.23	15.54	0.17
4.84	0.05	6.53	0.06	16.07	0.06	7.01	0.08
130.39	1.27	132.20	1.16	370.99	1.29	162.03	1.80
1.90	0.02	2.20	0.02	7.20	0.02	1.23	0.01
18.68	0.18	19.21	0.17	50.54	0.18	17.60	0.20
13.00	0.13	13.00	0.11	36.00	0.12	15.00	0.17
11.07	0.11	10.09	0.09	32.25	0.11	11.08	0.12
50.02	0.49	60.02	0.53	136.82	0.47	60.00	0.66
<b>714.89</b>	<b>6.97</b>	<b>843.01</b>	<b>7.39</b>	<b>2068.35</b>	<b>7.18</b>	<b>824.34</b>	<b>9.13</b>
<b>189.58</b>	<b>1.85</b>	<b>171.85</b>	<b>1.51</b>	<b>501.30</b>	<b>1.74</b>	<b>72.37</b>	<b>0.80</b>
160.20	1.56	150.50	1.32	427.90	1.48	54.19	0.60
10.30	0.10			15.30	0.05		
12.95	0.13	14.46	0.13	41.24	0.14	13.15	0.15
6.13	0.06	6.89	0.06	16.86	0.06	5.03	0.06
<b>498.41</b>	<b>4.86</b>	<b>467.87</b>	<b>4.10</b>	<b>1421.62</b>	<b>4.93</b>	<b>298.21</b>	<b>3.30</b>
428.40	4.18	397.86	3.49	1211.10	4.20	258.20	2.86
70.01	0.68	70.01	0.61	210.52	0.73	40.01	0.44
117.69	1.15	117.69	1.03	239.96	0.83	104.29	1.16
531.49	5.18	538.88	4.73	1327.64	4.61	484.89	5.37
<b>1337.17</b>	<b>13.03</b>	<b>1296.29</b>	<b>11.37</b>	<b>3490.52</b>	<b>12.11</b>	<b>959.76</b>	<b>10.63</b>
<b>160.00</b>	<b>1.56</b>	<b>200.00</b>	<b>1.75</b>	<b>475.00</b>	<b>1.65</b>	<b>200.00</b>	<b>2.22</b>
630.00	6.14	845.14	7.41	1945.14	6.75	765.45	8.48
130.02	1.27	107.54	0.94	350.42	1.22	115.41	1.28
30.00	0.29*	30.00	0.26	85.00	0.29	30.00	0.33
50.00	0.49	23.53	0.21	91.68	0.32	51.18	0.57
<b>840.02</b>	<b>8.19</b>	<b>1006.21</b>	<b>8.83</b>	<b>2472.24</b>	<b>8.58</b>	<b>962.04</b>	<b>10.66</b>
2153.51	20.99	1942.31	17.04	5899.04	20.47	1474.50	16.34
134.21	1.31	168.27	1.48	318.38	1.10	35.14	0.39
<b>2287.72</b>	<b>22.30</b>	<b>2110.58</b>	<b>18.51</b>	<b>6217.42</b>	<b>21.57</b>	<b>1509.64</b>	<b>16.73</b>
56.07	0.55	53.65	0.47	152.73	0.53	36.82	0.41
93.88	0.91	19.52	0.17	170.40	0.59	31.21	0.35
1.91	0.02	2.01	0.02	5.03	0.02	0.56	0.01
<b>151.86</b>	<b>1.48</b>	<b>75.18</b>	<b>0.66</b>	<b>328.16</b>	<b>1.14</b>	<b>68.59</b>	<b>0.76</b>

## YEARWISE OUTLAY :

Major/Sub-major head of development	Ninth Plan (1997-2002)		Annual Plan 1997-98	
	Outlay	% age Share	Outlay	% age Share
1	2	3	4	5
<b>VII-TRANSPORT</b>				
Civil Aviation	50.00	0.11	23.00	0.32
Roads & Bridges	9614.13	20.75	822.00	11.48
Road Transport	337.44	0.73	70.66	0.99
Inland Transport	0.15	0.00	0.03	0.00
Other Transport	5.00	0.01		
<b>TOTAL-VII</b>	<b>10006.72</b>	<b>21.59</b>	<b>915.69</b>	<b>12.78</b>
<b>IX-SCIENCE,TECH. &amp; ENVIRONMENT</b>				
Scientific Research (Including S&T)	30.80	0.07	7.15	0.10
Ecology & Environment	2043.80	4.41	58.71	0.82
<b>TOTAL- IX</b>	<b>2074.60</b>	<b>4.48</b>	<b>65.86</b>	<b>0.92</b>
<b>X-GENERAL ECONOMIC SERVICES</b>				
Secretariat Economic Services	103.02	0.22	22.39	0.31
Tourism	550.00	1.19	227.16	3.17
Survey & Statistics	34.00	0.07	6.67	0.09
Civil Supplies	0.50	0.00	0.01	0.00
Other General Eco. Services	1416.06	3.06	265.39	3.70
<b>TOTAL-X</b>	<b>2103.58</b>	<b>4.54</b>	<b>521.62</b>	<b>7.28</b>
<b>XI-SOCIAL SERVICES</b>				
Education				
General Education	1731.00	3.74	359.01	5.01
Technical Education	130.50	0.28	64.56	0.90
Sports & Youth Services	81.21	0.18	17.32	0.24
Art & Culture	31.32	0.07	7.30	0.10
<b>Sub-Total(Education)</b>	<b>1974.03</b>	<b>4.26</b>	<b>448.19</b>	<b>6.26</b>
Medical & Public Health	1185.00	2.56	173.12	2.42
Water Supply & Sanitation	6499.06	14.02	456.93	5.38
Housing	396.35	0.86	86.96	1.21
Urban Development	721.13	1.56	132.27	1.85
Information & Publicity	12.60	0.03	2.80	0.04
Welfare of SC,ST & BC	755.50	1.63	149.84	2.09
Labour & Employment	91.65	0.20	20.61	0.29
Social Security & Welfare	410.65	0.89	89.55	1.25
Nutrition	232.00	0.50	35.58	0.50
<b>TOTAL-XI</b>	<b>12277.97</b>	<b>26.50</b>	<b>1595.85</b>	<b>22.28</b>
<b>XII-GENERAL SERVICES</b>				
Stationery & Printing	2.00	0.00	0.50	0.01
Public Works	126.03	0.27	35.06	0.49
Other Administrative Services				
<b>TOTAL-XII</b>	<b>128.03</b>	<b>0.28</b>	<b>35.56</b>	<b>1.50</b>
<b>GRAND TOTAL</b>	<b>46340.00</b>	<b>100.00</b>	<b>7163.34</b>	<b>10.00</b>

## DURING NINTH PLAN

(Cr. Rs.)

Annual Plan 1998-99		Annual Plan 1999-2000		1997-2000		Annual Plan 2000-2001	
Outlay	% age Share	Outlay	%age Share	Outlay	%age Share	Outlay	% age Share
6	7	8	9	10	11	12	13
6.05	0.06	8.55	0.08	37.60	0.13	6.28	0.07
1291.75	12.59	1438.04	12.61	3551.79	12.32	975.44	10.81
33.52	0.33	78.73	0.69	182.91	0.63	7.45	0.08
0.03	0.00	0.01	0.00	0.07	0.00	0.03	0.00
<b>1331.35</b>	<b>12.97</b>	<b>1525.33</b>	<b>13.38</b>	<b>3772.37</b>	<b>13.09</b>	<b>989.20</b>	<b>10.96</b>
8.31	0.08	10.51	0.09	25.97	0.09	4.62	0.05
318.91	3.11	240.96	2.11	618.58	2.15	104.30	1.16
<b>327.22</b>	<b>3.19</b>	<b>251.47</b>	<b>2.21</b>	<b>644.55</b>	<b>2.24</b>	<b>108.92</b>	<b>1.21</b>
41.48	0.40	26.58	0.23	90.45	0.31	19.62	0.22
102.50	1.00	169.11	1.48	498.77	1.73	49.50	0.55
15.28	0.15	12.25	0.11	34.20	0.12	7.98	0.09
0.10	0.00	0.10	0.00	0.21	0.00		
654.04	6.37	1440.29	12.63	2359.72	8.19	1427.70	15.82
<b>813.40</b>	<b>7.93</b>	<b>1648.33</b>	<b>14.46</b>	<b>2983.35</b>	<b>10.35</b>	<b>1504.80</b>	<b>16.67</b>
532.39	5.19	581.53	5.10	1472.93	5.11	338.14	3.75
42.00	0.41	35.15	0.31	141.71	0.49	34.44	0.38
21.85	0.21	24.95	0.22	64.12	0.22	20.31	0.23
10.50	0.10	8.90	0.08	26.70	0.09	7.76	0.09
<b>606.74</b>	<b>5.91</b>	<b>650.53</b>	<b>5.71</b>	<b>1705.46</b>	<b>5.92</b>	<b>400.65</b>	<b>4.44</b>
405.51	3.95	429.25	3.77	1007.88	3.50	302.00	3.35
578.39	5.64	698.32	6.13	1733.64	6.01	537.48	5.96
119.24	1.16	99.70	0.87	305.90	1.06	77.24	0.86
129.81	1.27	119.73	1.05	381.81	1.32	129.18	1.43
4.26	0.04	4.02	0.04	11.08	0.04	2.96	0.03
248.51	2.42	248.96	2.18	647.31	2.25	247.20	2.74
22.79	0.22	18.86	0.17	62.26	0.22	13.66	0.15
99.04	0.97	104.33	0.92	292.92	1.02	96.34	1.07
45.00	0.44	45.00	0.39	125.58	0.44	48.79	0.54
<b>2259.29</b>	<b>22.02</b>	<b>2418.70</b>	<b>21.22</b>	<b>6273.84</b>	<b>21.77</b>	<b>1855.50</b>	<b>20.56</b>
0.50	0.00	0.50	0.00	1.50	0.01	0.99	0.01
37.54	0.37	24.30	0.21	96.90	0.34	41.22	0.46
<b>38.04</b>	<b>0.37</b>	<b>24.80</b>	<b>0.22</b>	<b>98.40</b>	<b>0.34</b>	<b>42.21</b>	<b>0.47</b>
<b>10260.96</b>	<b>100.00</b>	<b>11400.00</b>	<b>100.00</b>	<b>28824.30</b>	<b>100.00</b>	<b>9025.00</b>	<b>100.00</b>

**YEARWISE EXPENDITURE**

MAJOR/MINOR HEAD OF DEVELOPMENT	Ninth Plan Outlay	percentage share	1997-98 expenditure	percentage share
1	2	3	4	5
<b>ECONOMIC SERVICES</b>				
<b>I. AGRI.AND ALLIED ACTIVITIES</b>				
Crop Husbandry	1191.50	2.6%	84.34	1.5%
Soil & Water Conservation	581.19	1.3%	94.74	1.7%
Animal Husbandry	140.00	0.3%	19.94	0.4%
Dairy Development	112.04	0.2%	14.57	0.3%
Fisheries	28.00	0.1%	5.08	0.1%
Forestry & Wild Life	650.00	1.4%	69.74	1.2%
Food,Storage & Warehousing	10.45	0.0%	0.71	0.0%
Agri. Research & Education	58.25	0.1%	10.38	0.2%
Agri. Financial Institutions	50.00	0.1%	13.03	0.2%
Co-operation	48.85	0.1%	9.56	0.2%
Other Agri. Programmes	200.10	0.4%	87.13	1.5%
<b>TOTAL-I</b>	<b>3070.38</b>	<b>6.6%</b>	<b>409.22</b>	<b>7.2%</b>
<b>II. RURAL DEVELOPMENT</b>				
Spl. programmes for R.D.				
I.R.D.P/SGSRY	610.64	1.3%	99.52	1.8%
Ganga Kalyan Yojana	25.00	0.1%	4.62	0.1%
D.P.A.P.	74.00	0.2%	9.14	0.2%
I.R.E.P.	19.00	0.0%	3.19	0.1%
Rural Employment				
J.R.Y./JGSY	2404.00	5.2%	206.52	3.6%
Other Programmes	353.00	0.8%	17.60	0.3%
Land Reforms	21.10	0.0%	82.46	1.5%
Other R.D. Programmes	1236.06	2.7%	259.48	4.6%
<b>TOTAL-II</b>	<b>4742.80</b>	<b>10.2%</b>	<b>682.53</b>	<b>12.0%</b>
<b>III. SPECIAL AREA PROGRAMMES</b>				
	<b>575.00</b>	<b>1.2%</b>	<b>115.00</b>	<b>2.0%</b>
<b>IV. IRRIGATION &amp; FLOOD CONTROL</b>				
Major & Medium Irrigation	2600.12	5.6%	473.87	8.4%
Minor Irrigation	490.00	1.1%	99.34	1.8%
Command Area Development	120.00	0.3%	30.58	0.5%
Flood Control and Drainage	80.00	0.2%	14.40	0.3%
<b>TOTAL-IV</b>	<b>3290.12</b>	<b>7.1%</b>	<b>618.19</b>	<b>10.9%</b>
<b>V-ENERGY</b>				
Power	7468.15	16.1%	1125.01	19.9%
Non-conventional Sources Of Energy	76.00	0.2%	16.91	0.3%
<b>TOTAL-V</b>	<b>7544.15</b>	<b>16.3%</b>	<b>1141.92</b>	<b>20.2%</b>
<b>VI-INDUSTRY &amp; MINERALS</b>				
Village & Small Industries	204.47	0.4%	40.39	0.7%
Industries (Other Than VSI)	310.00	0.7%	51.62	0.9%
Mining	12.18	0.0%	1.00	0.0%
<b>TOTAL-VI</b>	<b>526.65</b>	<b>1.1%</b>	<b>93.01</b>	<b>1.6%</b>

## Annexure-4

## DURING NINTH PLAN

							(Cr. Rs.)
1998-99 expenditure	percentage share	1999-2000 expenditure	percentage share	1997-2000 Expenditure	percentage share	2000-2001 Outlay	percentage share
6	7	8	9	10	11	12	13
161.31	2.5%	148.04	2.3%	393.69	2.1%	216.02	2.4%
123.25	1.9%	295.01	4.5%	513.00	2.8%	295.20	3.3%
16.44	0.3%	6.81	0.1%	43.19	0.2%	23.63	0.3%
11.19	0.2%	9.57	0.1%	35.33	0.2%	15.54	0.2%
4.70	0.1%	8.28	0.1%	18.06	0.1%	7.01	0.1%
85.43	1.3%	89.22	1.4%	244.39	1.3%	162.03	1.8%
1.65	0.0%			2.36	0.0%	1.23	0.0%
24.39	0.4%	17.00	0.3%	51.77	0.3%	17.60	0.2%
19.54	0.3%	20.04	0.3%	52.61	0.3%	15.00	0.2%
7.62	0.1%	3.89	0.1%	21.07	0.1%	11.08	0.1%
22.20	0.3%	13.70	0.2%	123.03	0.7%	60.00	0.7%
<b>477.72</b>	<b>7.5%</b>	<b>611.56</b>	<b>9.3%</b>	<b>1498.50</b>	<b>8.1%</b>	<b>824.34</b>	<b>9.1%</b>
155.61	2.4%	49.24	0.7%	304.37	1.6%	54.19	0.6%
				4.62	0.0%		
8.38	0.1%	7.44	0.1%	24.96	0.1%	13.15	0.1%
5.49	0.1%	2.35	0.0%	11.03	0.1%	5.03	0.1%
310.82	4.9%	328.66	5.0%	846.00	4.5%	258.20	2.9%
26.31	0.4%	14.64	0.2%	58.55	0.3%	40.01	0.4%
98.70	1.6%	103.41	1.6%	284.57	1.5%	104.29	1.2%
355.35	5.6%	551.44	8.4%	1166.27	6.3%	484.89	5.4%
<b>960.66</b>	<b>15.1%</b>	<b>1057.18</b>	<b>16.1%</b>	<b>2700.37</b>	<b>14.5%</b>	<b>959.76</b>	<b>10.6%</b>
<b>135.62</b>	<b>2.1%</b>	<b>153.78</b>	<b>2.3%</b>	<b>404.40</b>	<b>2.2%</b>	<b>200.00</b>	<b>2.2%</b>
448.40	7.0%	634.16	9.7%	1556.43	8.4%	765.45	8.5%
108.59	1.7%	33.71	0.5%	241.64	1.3%	115.41	1.3%
25.15	0.4%	42.50	0.6%	98.22	0.5%	30.00	0.3%
26.45	0.4%	45.63	0.7%	86.48	0.5%	51.18	0.6%
<b>608.59</b>	<b>9.6%</b>	<b>756.00</b>	<b>11.5%</b>	<b>1982.77</b>	<b>10.7%</b>	<b>962.04</b>	<b>10.7%</b>
1095.15	17.2%	1049.02	16.0%	3269.18	17.6%	1474.50	16.3%
17.16	0.3%	12.57	0.2%	46.64	0.3%	35.14	0.4%
<b>1112.31</b>	<b>17.5%</b>	<b>1061.59</b>	<b>16.2%</b>	<b>3315.82</b>	<b>17.8%</b>	<b>1509.64</b>	<b>16.7%</b>
31.47	0.5%	37.81	0.6%	109.67	0.6%	36.82	0.4%
87.54	1.4%	37.02	0.6%	176.18	0.9%	31.21	0.3%
1.16	0.0%	0.50	0.0%	2.66	0.0%	0.56	0.0%
<b>120.17</b>	<b>1.9%</b>	<b>75.33</b>	<b>1.1%</b>	<b>288.51</b>	<b>1.6%</b>	<b>68.59</b>	<b>0.8%</b>

**YEARWISE EXPENDITURE**

MAJOR/MINOR HEAD OF DEVELOPMENT	Ninth Plan Outlay	percentage share	1997-98 expenditure	percentage share
1	2	3	4	5
<b>VII-TRANSPORT</b>				
Civil Aviation	50.00	0.1%	8.83	0.2%
Roads & Bridges	9614.13	20.7%	724.91	12.8%
Road Transport	337.44	0.7%	75.59	1.3%
Inland Transport	0.15	0.0%		
Other Transport	5.00	0.0%		
<b>TOTAL-VII</b>	<b>10006.72</b>	<b>21.6%</b>	<b>809.33</b>	<b>14.3%</b>
<b>VIII-COMMUNICATIONS</b>				
<b>IX-SCIENCE, TECH. &amp; ENVIRONMENT</b>				
Scientific Research (Including S&T)	30.80	0.1%	3.29	0.1%
Ecology & Environment	2043.80	4.4%	29.69	0.5%
<b>TOTAL-IX</b>	<b>2074.60</b>	<b>4.5%</b>	<b>32.98</b>	<b>0.6%</b>
<b>X-GENERAL ECONOMIC SERVICES</b>				
Secretariate Economic Services	103.02	0.2%	9.78	0.2%
Tourism	550.00	1.2%	67.36	1.2%
Survey & Statistics	34.00	0.1%	1.87	0.0%
Civil Supplies	0.50	0.0%		
Other General Eco. Services	1416.06	3.1%	2.00	0.0%
<b>TOTAL-X</b>	<b>2103.58</b>	<b>4.5%</b>	<b>81.01</b>	<b>1.4%</b>
<b>XI-SOCIAL SERVICES</b>				
Education				
General Education	1731.00	3.7%	406.97	7.2%
Technical Education	130.50	0.3%	50.36	0.9%
Sports & Youth Services	81.21	0.2%	14.01	0.2%
Art & Culture	31.32	0.1%	10.58	0.2%
Sub-Total(Education)	1974.03	4.3%	481.93	8.5%
Medical & Public Health	1185.00	2.6%	156.09	2.8%
Water Supply & Sanitation	6499.06	14.0%	423.83	7.5%
Housing	396.35	0.9%	47.21	0.8%
Urban Development	721.13	1.6%	220.15	3.9%
Information & Publicity	12.60	0.0%	1.64	0.0%
Welfare of SC, ST & BC	755.50	1.6%	239.78	4.2%
Labour & Employment	91.65	0.2%	18.64	0.3%
Social Security & Welfare	410.65	0.9%	72.58	1.3%
Nutrition	232.00	0.5%	5.36	0.1%
<b>TOTAL-XI</b>	<b>12277.97</b>	<b>26.5%</b>	<b>1667.21</b>	<b>29.4%</b>
<b>XII-GENERAL SERVICES</b>				
Stationery & Printing	2.00	0.0%	0.58	0.0%
Public Works	126.03	0.3%	15.72	0.3%
Other Administrative Services				
<b>TOTAL-XII</b>	<b>128.03</b>	<b>0.3%</b>	<b>16.30</b>	<b>0.3%</b>
<b>GRAND TOTAL</b>	<b>46340.00</b>	<b>100.0%</b>	<b>5666.70</b>	<b>100.0%</b>

## Annexure-4

## DURING NINTH PLAN

1998-99 expenditure	percentage share	1999-2000 expenditure	percentage share	1997-2000 Expenditure	percentage share	2000-2001 Outlay	(Cr. Rs.) percentage share
6	7	8	9	10	11	12	13
4.24	0.1%	5.68	0.1%	18.75	0.1%	6.28	0.1%
1162.92	18.3%	1161.38	17.7%	3049.21	16.4%	975.44	10.8%
53.58	0.8%	43.19	0.7%	172.35	0.9%	7.45	0.1%
0.06	0.0%			0.06	0.0%	0.03	0.0%
<b>1220.80</b>	<b>19.2%</b>	<b>1210.25</b>	<b>18.4%</b>	<b>3240.38</b>	<b>17.4%</b>	<b>989.20</b>	<b>11.0%</b>
8.74	0.1%	7.33	0.1%	19.36	0.1%	4.62	0.1%
25.79	0.4%	43.89	0.7%	99.37	0.5%	104.30	1.2%
<b>34.53</b>	<b>0.5%</b>	<b>51.22</b>	<b>0.8%</b>	<b>118.73</b>	<b>0.6%</b>	<b>108.92</b>	<b>1.2%</b>
4.14	0.1%	6.38	0.1%	20.30	0.1%	19.62	0.2%
63.67	1.0%	23.92	0.4%	154.95	0.8%	49.50	0.5%
0.92	0.0%	1.04	0.0%	3.83	0.0%	7.98	0.1%
2.58	0.0%	2.55	0.0%	7.13	0.0%	1427.70	15.8%
<b>71.31</b>	<b>1.1%</b>	<b>33.89</b>	<b>0.5%</b>	<b>186.21</b>	<b>1.0%</b>	<b>1504.80</b>	<b>16.7%</b>
406.30	6.4%	522.25	8.0%	1335.52	7.2%	338.14	3.7%
36.14	0.6%	21.05	0.3%	107.55	0.6%	34.44	0.4%
7.88	0.1%	4.96	0.1%	26.85	0.1%	20.31	0.2%
8.96	0.1%	5.42	0.1%	24.96	0.1%	7.76	0.1%
459.28	7.2%	553.68	8.4%	1494.88	8.0%	400.65	4.4%
108.62	1.7%	119.34	1.8%	384.05	2.1%	302.00	3.3%
498.44	7.8%	405.18	6.2%	1327.45	7.1%	537.48	6.0%
58.04	0.9%	41.56	0.6%	146.82	0.8%	77.24	0.9%
139.76	2.2%	73.32	1.1%	433.23	2.3%	129.18	1.4%
1.99	0.0%	1.84	0.0%	5.47	0.0%	2.96	0.0%
220.16	3.5%	226.25	3.4%	686.19	3.7%	247.20	2.7%
9.87	0.2%	5.05	0.1%	33.56	0.2%	13.66	0.2%
82.01	1.3%	78.51	1.2%	233.10	1.3%	96.34	1.1%
24.73	0.4%	36.55	0.6%	66.64	0.4%	48.79	0.5%
<b>1602.90</b>	<b>25.2%</b>	<b>1541.28</b>	<b>23.5%</b>	<b>4811.39</b>	<b>25.9%</b>	<b>1855.50</b>	<b>20.6%</b>
0.50	0.0%	0.56	0.0%	1.64	0.0%	0.99	0.0%
18.84	0.3%	16.23	0.2%	50.79	0.3%	41.22	0.5%
<b>19.34</b>	<b>0.3%</b>	<b>16.79</b>	<b>0.3%</b>	<b>52.43</b>	<b>0.3%</b>	<b>42.21</b>	<b>0.5%</b>
<b>6363.94</b>	<b>100.0%</b>	<b>6568.87</b>	<b>100.0%</b>	<b>18599.51</b>	<b>100.0%</b>	<b>9025.00</b>	<b>100.0%</b>

## **Extract from Ninth Five Year Plan, Volume-I**

### **Objective And Priorities**

#### **Main objectives of State's Ninth Plan are as under:**

- (i) Development of critical infrastructure, particularly of Irrigation and Power, as a base for rapid and development;
- (ii) Development of agriculture, more particularly in areas lagging behind, and of rural economy through diversification within agriculture from low value to high value crops and from agriculture to non-farm and more remunerative activities;
- (iii) Acceleration in the pace of Rural Development with the objective of generation of productive and gainful employment more particularly for those living below poverty line, eradication of poverty and reduction in regional disparities;
- (iv) Improvement in the economic and social condition of disadvantaged groups such as women, scheduled castes, scheduled tribes, other backward classes and minorities;
- (v) Provision of 'Basic Minimum Services' to improve the quality of life of rural population together with saturation of Ambedkar villages with identified programmes;
- (vi) Reduction in growth population; and
- (vii) Promoting and developing people's participatory institutions like Panchayati Raj institutions, co-operatives and self-help groups.

#### **Subject to the main objectives of the Plan, the thrust areas or priorities of Plan are as under:**

- (i) To maximise the output from the investment already made and the assets and services created in the past. This will require identification of such investments in different sectors, the levels of efficiency reached and the measures including the investment required to optimise these levels;
- (ii) To complete, as expeditiously as possible, the incomplete works more particularly those of infrastructure sectors, to be able to derive full benefits from the same for economic and social development of the state;
- (iii) To initiate measures which may ensure for the less fortunate and disadvantaged groups of the society a reasonable share in public services and facilities;
- (iv) A more balanced regional development by removing constraints on growth and development of backward areas and initiating measures for more rapid development of these areas, and
- (v) Improving the delivery system in public sector, both for economic and social services, to ensure timely, adequate and easy availability of services to the people, without distinction of their economic or social status.



## Financing of the Annual Plan outlays and expenditures under Ninth Plan

(Cr. Rs.)

Year	State's own Resources		Central Assistance		Total
	Cr. Rs.	% to total	Cr. Rs.	% to total	
1	2	3	4	5	6
<b>1997-98</b>					
Outlay	5080.60	70.9	2082.74	29.1	7163.34
Expenditure	3623.31	63.9	2043.39	36.1	5666.70
<b>1998-99</b>					
Outlay	7837.65	76.4	2423.31	23.6	10260.96
Expenditure	4055.78	63.7	2308.16	36.3	6363.94
<b>1999-2000</b>					
Outlay	5224.24	45.8	6175.76	54.2	11400.00
Expenditure	2761.89	42.0	3806.98	58.0	6568.87
<b>Total (1997-2000)</b>					
Outlay	18142.49	62.9	10681.81	37.1	28824.30
Expenditure	10440.98	56.1	8158.53	43.9	18599.51
<b>2000-01</b>					
Outlay	3133.9	34.7	5891.1	65.3	9025.00

## Progress of Agricultural Production during first three years of Ninth Plan

(Production Levels : Lakh tonnes)

Item	1996-97 Base year	Ninth Plan Target	1997-98		1998-99		1999-2000		2000-2001 Target
			Achive- ment	Percentage Short fall (-) / Excess(+) over 1996-97	Achive- ment	Percentage Short fall (-) / Excess(+) over 1997-98	Achive- ment	Percentage Short fall (-) / Excess(+) over 1998-99	
1	2	3	4	5	6	7	8	9	10
<b>1 Foodgrains</b>	<b>423.78</b>	<b>545.00</b>	<b>416.79</b>	<b>-1.6</b>	<b>404.31</b>	<b>-3.0</b>	<b>452.38</b>	<b>11.9</b>	<b>510.00</b>
(a) Kharif	152.44	195.00	160.02	5.0	140.93	-11.9	161.91	14.9	185.00
(b) Rabi	271.34	350.00	256.77	-5.4	263.38	2.6	290.47	10.3	325.00
<b>i- Cereals</b>	<b>397.61</b>	<b>508.30</b>	<b>393.75</b>	<b>-1.0</b>	<b>381.04</b>	<b>-3.2</b>	<b>426.48</b>	<b>11.9</b>	<b>474.00</b>
(a) Rice	117.51	150.50	122.81	4.5	113.87	-7.3	129.11	13.4	142.00
(b)Wheat	240.50	309.00	228.34	-5.1	234.65	2.8	259.76	10.7	284.50
(c) Others	39.60	48.80	42.60	7.6	32.52	-23.7	37.61	15.7	47.50
<b>ii-Pulses</b>	<b>26.17</b>	<b>36.70</b>	<b>23.04</b>	<b>-12.0</b>	<b>23.27</b>	<b>1.0</b>	<b>25.90</b>	<b>11.3</b>	<b>36.00</b>
2 Oilseeds	15.46	25.00	10.01	-35.3	10.89	8.8	13.16	20.8	22.00
3 Sugarcane	1480.86	1625.00	1334.21	-9.9	1217.36	-8.8	1320.00	8.4	1574.80
4 Potato	90.79	107.32	90.15	-0.7	84.38	-6.4	100.54	19.2	99.95

**Industrial Production Indices  
(1993-94=100)**

Code No.	Major Industry Groups	1996-97 Base Year	Ninth Plan		% variation in 1998-99 over 1997-98
			1997-98	1998-99	
1	2	3	4	5	6
20-21-	Food manufacturing	115.9	123.0	118.6	-3.6
22-	Beverages, Tobacco and Tobacco products	122.7	124.3	131.8	6.0
23-	Cotton Textiles	82.1	72.3	59.2	-18.1
24-	Wool, Silk and Synthetic Textiles	109.4	130.1	49.4	-62.0
25-	Jute and Mesta	117.4	137.0	174.0	27.0
26-	Textiles Products (including wearing apparel)	65.6	69.7	138.0	98.0
27-	Wood and Wood Products	144.0	153.3	290.4	89.4
28-	Paper, Printing and Publishing	99.0	112.6	123.7	9.9
29-	Leather and Fur products	75.4	104.2	195.9	88.0
30-	Rubber, Plastic and Petroleum products	101.0	100.2	84.8	-15.4
31-	Chemicals (except Petroleum and Coal products)	138.5	167.5	281.1	67.8
32-	Non-Metallic Mineral products	85.0	120.2	122.1	1.6
33-	Basic Metal and Alloys industries	117.5	131.2	273.6	108.5
34-	Metal products (except Machinery and transport equipment)	127.0	106.0	126.5	19.3
35-	Machinery (except Electrical)	125.8	122.1	163.7	34.1
36-	Electrical Machinery	77.9	75.2	78.7	4.7
37-	Transport equipment and parts	203.5	188.1	213.9	13.7
38-	Misc. manufacturing industries (not else where classified).	127.7	108.2	86.0	-20.5
	<b>All Groups</b>	<b>116.1</b>	<b>121.6</b>	<b>161.0</b>	<b>32.4</b>



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**Rate of Growth**  
( At constant price of 1980-81)

(Percent)

Sector	Fifth Plan	Sixth Plan	Seventh Plan	1990-92	1979-92	Eighth Plan
1. Primary	5.5	2.3	2.7	5.4	2.9	2.5
- Of which agriculture	5.7	2.7	2.7	4.9	3.0	2.7
2. Secondary	7.3	6.8	8.8	1.2	6.6	3.3
- Of which manufacturing	9.4	11.8	10.9	1.1	7.5	4.2
Registered	8.8	14.2	14.6	(-)0.7	9.0	3.8
Unregistered	9.9	5.0	5.9	4.1	5.7	4.7
3. Tertiary	5.3	5.0	8.0	1.6	5.3	3.9
<b>Over all Economy :</b>						
Uttar Pradesh	5.7	3.9	5.7	3.1	4.3	3.2
All India	(5.3)	(4.9)	(5.8)	(2.5)	(4.2)	(6.8)
<i>Per Capita Income:</i>						
Uttar Pradesh	3.3	1.5	3.3	1.1	2.0	1.4
All India	(2.9)	(2.7)	(3.6)	(0.4)	(2.0)	(4.9)

**Growth Performance during the first two years of the Ninth Plan**  
(At constant price of 1993-94)

(Percent)

Sector	1996-97 Base year	Ninth Plan Target	Growth over preceding year		1997-99
			1997-98	1998-99	
1. Primary	8.8		(-2.7	1.4	(-) 0.7
- Of which agriculture	9.3	5.1	(-3.3	0.7	(-) 1.3
2. Secondary	3.6		5.5	3.5	4.5
- Of which manufacturing	4.5	12.1	4.3	3.0	3.6
Registered	0.7		5.5	5.7	5.6
Unregistered	10.1		2.6	(-)0.9	0.8
3. Tertiary	7.7	6.8	5.3	5.5	5.5
<b>Over all Economy :</b>					
Uttar Pradesh	7.2	7.0	2.2	3.6	2.9
All India	(8.2)		(4.8)	(6.0)	(3.6)
<b>Per Capita Income :</b>					
Uttar Pradesh	5.0		0.2	1.4	0.8
All India	(6.3)		(3.0)	(4.2)	(1.9)

## CHAPTER - 2

# STATE'S ECONOMY : SALIENT FEATURES

### NATURAL RESOURCES

Uttar Pradesh with 19 divisions, 83 districts, 348 tehsils, 904 development blocks 112803 villages and an area of 294411 sq.Km. is the fourth largest state of the country after Madhya Pradesh, Rajasthan and Maharashtra. The state covers 8.96 percent of the total geographical area of the country while the percentage share of the state in the total population of the county is 16.4. As a result, the availability of geographical area in the state is 2.12 sq. km. for every one thousand of population, which is 46.2 percent less than the corresponding figure of 3.88 square km. for the country. According to a norm, the forest area should be 33 percent of the total area. Against it, the forest area in the state was only 17.7 percent of its total area in 1996-97. The state has 7.50 percent forest area in the total forest area of the country after Madhya Pradesh (21.31 percent), Andhra Pradesh (8.93 percent), Orissa (8.31 percent) and Maharashtra (7.67 percent) in 1995-96. The percentage share of net area sown in 1995-96 in the state was 12.23 percent of the total net area sown of the country after Madhya Pradesh (13.89 percent) and Maharashtra (12.59 percent) while the gross cropped area in the state was 13.83 percent which was the highest amongst all the major states of the country. The cropping intensity of the state in 1995-96 was 148.2 percent against the country's average of only 131.2 percent, but was less than the States of Punjab (187.3 percent), Haryana (166.6 percent), West Bengal (149.6 percent) and Orissa (155.7 percent).

### DEMOGRAPHY

#### Pressure on Population

2. With the highest share of 16.44 percent in the country's total population, the state had a high population density of 473 persons per sq. km., which is 72.6 percent higher than the national average of only 274 persons per sq.Km. (1991 census). Likewise, the population growth in the state was 2.29 percent per annum in the decade 1981-91 which was higher than the population growth of 2.13 percent per annum of the country. The gap between population growth of the state and country has widened from 0.04 percentage points in the decade of 1971-81 to 0.16 percentage points in the decade of 1981-91.

3. According to 1991 census, the total population of the state was 1391 lakh in which 740 lakh were males and 651 lakh were Females. The percentages of males and females were 53.2 and 46.8 respectively. The scheduled caste population is 21.05 percent which is much higher than 16.48 percent at the national level and is the highest among all major states except Punjab (28.31 percent) and West Bengal (23.62 percent)

4. The percentage of rural and urban population in total population was 80.2 (1115 lakhs) and 19.8 (276 lakhs) respectively. In the decade 1981-91, the urban population increased by 38.7 percent while it was 36.5 percent at the national level. The share of urban population in the total population of the State increased from 17.95 percent in 1981 to 19.80 percent in 1991 against the corresponding percentages of 23.31 and 25.70 respectively at the national level. Consequently, the percentage share of state's urban population also increased marginally from 12.5 percent in 1981 to 12.7 percent in 1991.

### **Working Force**

5. The percentage increase in workers in the state was 31.56 during 1981-91 against an increase of 25.48 percent in its total population during this period. The total number of workers increased by 340.52 lakh in 1981 to 448.00 lakh in 1991 and the proportion of workers to total state's population moved up from 30.7 to 32.2 percent. The share of workers in state's population (32.2 percent) is considerably lower than the corresponding figure of 37.1 percent at national level. With 32.2 percent workers in total population, the state ranked 9th among major states except Andhra Pradesh (45.0 percent), Tamil Nadu (43.3 percent), Maharashtra (43.0 percent), Madhya Pradesh (42.8 percent), Karnataka (42.0 percent), Gujarat (40.2 percent), Rajasthan (38.9 percent) and Orissa (37.5 percent). All these seven states (except Orissa) are ahead of U.P. in per capita income also. Punjab, Haryana and Kerala though have lower work participation ratio of 30.9 percent, 31.0 percent and 31.9 percent respectively but have a higher per capita state income.

6. The percentage share of total workers in rural population also increased from 31.5 to 33.5 during the decade 1981-91. Likewise, the share of female workers in female population moved up from 9.0 percent to 14.2 percent during the aforesaid decade while the share of male workers in total male population declined by 51.5 percent to 50.5 percent in 1981-91. Likewise, the share of urban female workers in urban female population also moved up from 3.5 percent to 4.8 percent during the decade 1981-91, but the share of workers in urban population slipped down from 27.3 percent to 27.1. In the same way, the share of male workers in total male population also declined from 47.5 percent in 1981 to 46.4 percent in 1991.

7. According to 1991 census, villages having population below 500 were 40.1 percent of the total inhabited villages which are characterized as small villages. The percentage of such villages in the state is higher than that of other developed states like Punjab (30.9 percent), Maharashtra (29.0 percent), Gujarat (21.6 percent), Haryana (16.0 percent) and Tamil Nadu (13.1 percent). These villages in the state have a considerably higher share as 9.9 percent of its total population against Punjab (7.1 percent), Maharashtra (6.8 percent), Gujarat (4.2 percent), Haryana (2.4 percent) and Tamil Nadu (1.6 percent).

### **Economy: An Overview**

8. In 1980-81, the total state income at current prices was Rs. 14012 crore which increased to Rs. 21514 crore in 1984-85, Rs. 41664 crore in 1989-90, Rs. 57206 crore in 1991-92, Rs. 88511 crore in 1995-96 and further to Rs. 113105 crore in 1997-98 registering an increase of 53.5 percent during 1981-85, 93.7

percent in 1985-90, 37.3 percent during 1990-92, 54.7 percent during 1992-96 and 27.8 percent during 1996-98. In spite of these increases, the State's contribution in total National Income declined from 12.7 percent to 11.6 percent in 1980-81 and 1984-85 respectively. It slightly increased to 11.7 percent in 1989-90 and 11.9 percent in 1991-92 but again slipped down to 10.2 percent in 1996-97. In real terms, the state income (at constant prices of 1980-81) also increased from Rs. 14012 crore in 1980-81, Rs. 16331 crore in 1984-85, Rs. 21501 crore in 1989-90, Rs. 22873 crore in 1991-92, Rs. 24938 crore in 1995-96 and further to Rs. 27365 crore in 1997-98 registering an increase of 16.6 percent, 31.7 percent, 6.4 percent, 9.0 percent and 9.7 percent respectively during the aforesaid periods. But its contribution in the corresponding national income decreased from 12.7 percent in 1980-81 to 12.2 percent in 1984-85 and to 12.1 percent in 1989-90. In 1991-92, it slightly increased to 12.3 percent, but again decreased to 10.4 percent in 1995-96 and 1996-97.

9. The per capita income of the State has been behind the per capita income of the country. The per capita state income, at current prices, increased from Rs. 1278 in 1980-81 Rs. 1784 in 1984-85, Rs. 3087 in 1989-90, Rs. 4069 in 1991-92, Rs. 5872 in 1995-96 and further to Rs. 7263 in 1997-98. But the gap between the per capita State Income and the per capita National Income, at current prices, also widened from Rs. 352 in 1980-81 to Rs. 720 in 1984-85, Rs. 1260 in 1989-90, Rs. 1534 in 1991-92, Rs. 3706 in 1995-96 and Rs. 4058 in 1996-97. In terms of percentage, the gaps between per capita state income and National Income at current prices were 21.6 in 1980-81, 28.8 in 1984-85, 29.0 in 1989-90, 27.4 in 1991-92, 38.7 in 1995-96 and 37.7 in 1996-97. It can be seen from above that except in 1991-92, the gap between per capita state and National Income widened during the aforesaid period. A similar trend was observed in per capita state income and National Income at constant prices. The gap between per capita state income and National Income at constant prices was Rs. 352 (21.6 percent) in 1980-81 which increased to Rs. 457 (25.2 percent) in 1984-85 and again increased to Rs. 564 (26.1 percent) in 1989-90. This gap decreased to Rs. 548 (25.2 percent) in 1991-92, but in 1995-96, it again increased to Rs. 954 (36.6 percent) and to Rs. 1013 (36.7 percent) in 1996-97.

10. At current and constant (1993-94) prices, the provisional state income estimates from 1993-94 to 1997-98 and quick estimates for the year 1998-99 have been prepared under the new series (base year 1993-94). The main features of the estimates are as follows :-

- (1) In 1998-99 at current prices, the net state domestic product was estimated at Rs. 152726 crore which was 10.7% of the net national product estimates of Rs. 1431527 crore.
- (2) In 1998-99 at current prices, the per capita income was Rs. 9261 which was 63.1% of the national per capita income of Rs. 14682.
- (3) In 1998-99 at constant (1993-94) prices, the annual growth rate of NSDP was 3.6% against the 6.8% annual growth of National Income. In 1997-98, the above annual growth rate of the country and of the State were 4.9% and 2.2% respectively.



- (4) In 1998-99 at constant (1993-94) prices, the per capita income was Rs. 5890 and that of India was Rs. 9739. In percentage terms, the increase in per capita income over the previous year were 1.4 and 5.0 respectively for the State and the country.
- (5) In 1998-99 at current prices, the contribution of Agriculture & Animal Husbandry sector was 34.0% where as it was 37.4% in 1993-94.
- (6) During the first two years of the Ninth Plan, i.e. 1997-98 & 1998-99, a negative annual growth rate of 1.3% was observed in Agriculture & Animal Husbandry sector while a moderate annual increase of 3.6% was observed in the Industry sector and a growth rate of 2.9% was observed in the net state domestic product.
- (7) In 1998-99 at current prices, the contribution of Primary, Secondary & Tertiary sectors were 36.3%, 19.3% & 44.4% respectively while in 1993-94 these were 40.2%, 18.9% and 40.8% respectively.

### **Structure of Economy**

11. There are three main sectors of the economy--Primary sector, Secondary sector and Tertiary sector. In the development of the economy of the state, the primary sector holds a prominent place even today. In 1980-81, the share of primary sector in total state income at current prices was 52.3 percent which decreased to 45.4 percent in 1984-85, 41.1 percent in 1989-90. It again increased to 43.7 percent in 1991-92 but afterwards it had a declining trend and was 41.6 percent during 1995-96 and 40.2 percent in 1997-98 except 43.0 percent in 1996-97. So, there was a 12.1 percentage point decrease during the period 1981-98. The secondary sector and the tertiary sector accounted for this decrease. In 1980-81, the percentage share of secondary sector and tertiary sector was 15.3 and 32.4 respectively which increased to 18.0 and 36.6 percent in 1984-85. In 1989-90, it increased to 21.2 percent and 37.7 percent respectively. But during 1991-92, it declined to 20.3 percent and 36.0 percent respectively. In 1995-96, the percentage share of secondary sector was 20.8, but the percentage share of tertiary sector increased to 37.6. In 1997-98, it increased to 21.1 and 38.7 respectively. Thus, it can be seen that during 1981-98, the decrease of 12.1 percentage points in primary sectors contribution was accounted for secondary sector (5.8 percentage points) and tertiary sector (6.3 percentage points).

12. The share of workforce during the decade of 1981-91, slipped down from 75.1 percent in 1981 to 73.0 percent in 1991. Thus, there was a nominal shift of 2.1 percentage points in the primary sector. In 1981, the percentage share of workforce in the secondary sector was 10.0 which slipped down to 9.0 in 1991. The share of workforce in the tertiary sector (service sector), however, increased by 3.1 percentage points from 14.9 percent to 18.0 percent during the aforesaid period. The tertiary sector, thus, gained a higher position in providing employment to the people of the state.

13. During the period of 1981-91, there was a decline of 10.0 percentage points in the share of income from the primary sector at constant prices while there was only 2.1 percentage points decline in the share of workforce in the same sector. It is evident from above that this resulted in increased pressure of

workforce in the primary sector. Likewise, the average annual income (at constant prices) of per main worker in this sector in the state increased from Rs. 3012 to Rs. 3266, registering a rise of only 8.4 percent during the aforesaid period. On the other hand, against a rise of 4.1 percentage points in per main workers' income, there was a decline of 1.0 percentage point in the workforce engaged in the secondary sector. In the tertiary sector, there was observed a higher increase of 6.5 percentage points in income while a lower rise of 3.1 percentage points was seen in its workforce. As a result of this, the average annual income per main worker in this sector also increased by 19.7 percent during 1981-91. It can be seen from above that there was a rise of only 8.4 percent in the average income of a worker engaged in the primary sector and the level of its income remained lowest amongst the three sectors. The primary sector which still accounts for a little less than three fourth (73.0 percent) of the workforce of the state is also the lowest paid sector. This is one of the main factors for the economic backwardness of the state.

14. The economy of the state had lower rates of growth both in total and per capita income than the all India average, except during the Fifth Five Year Plan (1974-79). During this period, the growth rate in total income as well as per capita income of the state were 5.7 percent and 3.3 percent respectively while the corresponding growth rates for the country were 5.3 percent and 2.9 percent. During 1990-92, the growth in total state income and per capita income also showed a better performance than the national income as well as per capita income. During the aforesaid period, the growth in total state income/per capita income were 3.1 percent and 1.1 percent while the growth in total National Income as well as per capita income were only 2.5 percent and 0.4 percent respectively. During 1981-82 to 1997-98, however, the growth rates in total state income and per capita income were only 4.0 percent and 1.9 percent while at the national level the growths in total and per capita income were 5.4 percent and 3.3 percent respectively. These achievements were much below the targetted growth rate of 6.0 percent per annum during the Eighth Plan.

## **Agriculture**

15. Temperature, rainfall, humidity, water holding capacity of land and erosion of land are the main factors which influence the development of agriculture. These conditions mainly depend upon the area under forest. Due to rapid growth in industrialization and urbanisation, the area under non-agriculture uses has been increasing. As a result, the area under forest has been declining. The total area under forest in the state was 5150 thousand hectare in 1997-98 which was 17.7 percent only against the total reported area of 29794 thousand hectare. This is lower than the norm.

16. Land is the basic input for agriculture. But the area under agriculture is decreasing day by day due to the demand of land for other uses. Agriculture in the state is characterised by the preponderance of marginal and uneconomical holdings of less than 1.0 hectare. The share of these holdings in the total number of holdings was 73.8 percent in 1990-91 which was much higher than the national average of 59.4 percent. Likewise, the average size of holdings in the state in 1990-91 was 0.90 hectare which was not only lower than the other major states except Kerala (0.33 hect.) but was also less than the all India average of 1.55 hectare. The net area sown per cultivator in the state in 1995-96 was 0.79 hect. which was much lower than all the major states except Bihar (0.66 hectare) and the national average of 1.28 hectare also. However, the area sown more than once in the state in 1984-85 was 7873 thousand hectare which

increased to 8294 thousand hect. in 1995-96 and 8654 thousand hect. in 1996-97 registering an increase of 6.6 percent and 9.9 percent respectively. In the same way, the cropping intensity also rose from 145.65 percent in 1984-85 to 147.09 percent in 1989-90, 148.7 percent in 1997-98 and to 151.0 in 1998-99.

17. Irrigation is the major input for agricultural production. The irrigation potential increased from 18817 thousand hect. in 1984-85 to 21462 thousand hectares in 1989-90, 22595 thousand hectares in 1991-92, 28725 thousand hectares in 1996-97 and further to 29182 thousand hectares in 1997-98 and 29684 thousand hect. in 1998-99. Likewise, the potential utilized in 1984-85 was 16373 thousand hectares which moved up to 18650 thousand hectare in 1989-90, 19837 thousand hectares in 1991-92, 25828 thousand hectares in 1996-97 and further to 26179 thousand hectares in 1997-98 and 26619 thousand hect. in 1998-99. The gross irrigated area as percentage of the potential created during the period 1985-91 was between 66 percent to 68 percent. In 1984-85, the percentage was 67.7 which decreased to 61.1 in 1989-90 but again increased to 68.3 in 1991-92. It decreased to 60.9 percent in 1996-97 and again increased to 66.5 percent in 1997-98. The irrigation coverage in the state was 67.1 percent in 1995-96 which was much lower in comparison to Punjab and Haryana with 92.9 percent and 77.0 percent respectively. The gross irrigated area in the state increased by 12731 thousand hectare in 1984-85 to 14375 in 1989-90, 15426 thousand hectare in 1991-92 and further to 17475 thousand hectare in 1996-97 and again to 17322 thousand hect. in 1997-98. The irrigation intensity in 1995-96 was 145.4 percent which is much less in comparison to 191.8 and 169.3 percent in Punjab and Haryana respectively.

18. Like irrigation, fertilizer is one of the most important inputs for agriculture production. The consumption of fertilizer in the state was 64.21 kg./hect. in 1984-85 which increased to 82.53 kg./hect. in 1989-90, 108.40 kg./hect. in 1996-97 and again to 117.49 in 1997-98 registering an increase of 28.5 percent, 31.3 percent and 8.4 percent respectively. In 1998-99, the consumption of fertilizer decreased and was 116.88 kg./hect. only.

19. The percentage share of area under the foodgrain crops to the total cropped area was 78.9 in the state in 1995-96, which was highest among all states except Bihar (89.8) and West Bengal 80.4 and also higher than the national average (64.9). Further, this percentage share in the State was 77.8 in 1996-97 and 78.9 in 1997-98.

20. The area covered by foodgrain crops in the state was 20.30 M.Hect. in 96-97 and 20.64 M.hect. in 97-98 which was highest among all the states and the percentage share of the foodgrain area was 16.4 and 16.6 in 1996-97 and 1997-98 to the All India Foodgrain area. It is evident from above that the main thrust in agriculture in the State is on cereal crops which are not as remunerative as commercial crops. In 1997-98, the area under foodgrain in the state was 16.6 percent of the corresponding area of the country. The percentage share in total gross value of Agriculture (at current Prices) in 1997-98 was 39.1%, which is higher in comparison to the corresponding All India share of 25.2 percent. The state's share of foodgrain in the total foodgrain of the country in 1997-98 was 21.7 percent which is highest among all states of the country.

21. The foodgrain production in the state increased from 29918 Th.M.T. in 1984-85 to 33789 Th.M.T. in 1989-90, 35531 Th.M.T. in 1991-92 and to 42378 Th.M.T. in 1996-97 registering an increase of 12.9,

5.2 and 19.3 percent respectively. In 1997-98, it decreased to 1.6 percent (41679 Th.M.T.) while in 1998-99, it again decreased and was 40155 Th.M.T. Likewise, the productivity of foodgrain increased from 14.56 qtl./hect. in 1984-85 to 16.51 qtl./hect. in 1989-90, 17.85 qtl./hect. in 1991-92 and further to 20.84 qtl./hect. in 1996-97 registering an increase of 13.4 percent, 8.1 percent and 10.2 percent. But in 1997-98, it decreased to 20.27 Qtl./hect. and the percentage decrease was 2.7.

22. In 1997-98 the productivity of foodgrain in the state (20.27 qtl./hect.) was much lower than that of Punjab (35.97 qtl./hect.) and Haryana (27.16 qtl./hect.). The per capita foodgrain production in the state in 1997-98 was 254 kg. which was higher than the national average of 197 kg. but considerably lower than Punjab 913 kg. and Haryana 584 kg. The production of cereals in the state was 272.18 Th.M.T. in 1984-85 which increased to 31376 Th.M.T. in 1989-90, 33011 Th.M.T. in 1991-92, 36896 Th.M.T. in 1994-95 and further to 39761 Th.M.T. in 1996-97. But it decreased slightly to 39511 Th.M.T. in 1997-98. Likewise, the average yield of cereals in 1984-85 was 15.45 qtl./hect. which increased to 17.95 qtl./hect. in 1989-90, 19.38 qtl./hect. in 1991-92, 20.90 qtl./hect. in 1994-95 and further to 22.70 qtl./hect in 1996-97. But in 1997-98, it decreased to 22.16 qtl./hect.

23. The production of pulses decreased from 2705 Th.M.T. in 1984-85 to 2413 Th.M.T. in 1989-90. Again it increased to 2520 Th.M.T. in 1991-92, but decreased to 2479 Th.M.T. in 1994-95 and 2189 Th.M.T. in 1995-96. In 1996-97, it increased to 2617 Th.M.T. But in 1997-98, it again decreased to 2304 Th.M.T.

24. In the same way, the productivity of pulses had been fluctuating over the aforesaid period. In 1984-85, the productivity of pulses was 9.37 qtl./hect. which decreased to 8.08 qtl./hect. in 1989-90. Again, it increased to 8.76 qtl./hect. in 1991-92 and 8.88 qtl./hect. in 1994-95. In 1995-96, the productivity of pulses was 7.73 qtl./hect. In 1996-97, it increased to 9.29 qtl./hect. and in 1997-98, it again decreased to 8.25 qtl./hect. In 1998-99, the productivity of pulses increased to 8.35 qtl./hect.

25. Sugarcane, Potato and Oilseeds are the major commercial crops in the state. The production of sugarcane increased from 70888 Th.M.T. in 1984-85 to 97422 Th.M.T. in 1989-90 and to 111095 Th.M.T. in 1991-92 registering an increase of 37.4 percent and 14.0 percent. In 1994-95, with a slight decrease of 0.8 percent the production was 110239 Th.M.T. In 1995-96, it again increased to 9.8 percent and the production went up to 121020 Th.M.T. In 1996-97, it increased by 3.6 percent to 125348 Th.M.T. In the period of 1997-98, it again decreased to 121267 Th.M.T. and decreased further to 116303 Th.M.T. in 1998-99. The production of Potato and Oilseeds (total) were 5499 Th.M.T. and 1024 Th.M.T. in 1984-85 which went up to 6228 Th.M.T. and 1147 Th.M.T. in 1989-90, 6236 Th.M.T. and 1376 Th.M.T. in 1991-92, 6821 Th.M.T. and 1380 Th.M.T. in 1994-95, 7466 Th.M.T. and 1425 Th.M.T. in 1995-96, and further to 9591 Th.M.T. and 1546 Th.M.T. in 1996-97 respectively. In 1997-98, the production of potato and oilseeds decreased to 5844 Th.M.T. and 1002 Th.M.T. respectively. In 1998-99, the production of Potato and Oilseeds increased to 9534 Th.M.T. and 1136 Th.M.T. respectively.

26. Wheat, Rice and Pulses are the main crops under foodgrain crops. The productivity of wheat in the state was 18.69 qtl./hect. in 1984-85 which increased to 20.47 qtl./hect. in 1989-90, 23.44 qtl./hect. in 1991-92 and to 25.05 qtl./hect. in 1994-95. In 1995-96, the productivity of wheat slightly decreased to

24.45 qtl./hect. In 1996-97, the productivity of wheat went up to 26.68 qtl./hect. But in 1997-98, it again decreased to 24.85 qtl./hect. In 1998-99, it increased to 25.10 qtl./hect. When we compare with the neighbouring states like Punjab and Haryana we find that U.P. is far behind them in productivity. In 1996-97, the productivity of wheat in Punjab and Haryana were 42.34 qtl./hect. and 38.80 qtl./hect. respectively which is much higher than Uttar Pradesh. Similarly, the productivity of rice in the state had a rising trend during the period of 1985-97 except 1991-92. In 1984-85, the productivity of rice was 13.00 qtl./hect. which increased to 17.47 qtl./hect. in 1989-90 and then decreased to 17.38 qtl./hect. in 1991-92. Again it increased to 18.59 qtl./hect. and 18.62 qtl./hect. in 1994-95 and 1995-96 respectively. In 1996-97 the productivity of rice in the state was 21.13 Qtl./hect. In 1997-98, it increased to 21.41 qtl./hect. In 1996-97, the productivity of rice in the state was lower than states like Punjab (33.97 qtl./hect.) and Haryana (29.64 qtl./hect.). In 1998-99, the productivity of rice decreased to 19.59 qtls./hect.

27. The productivity of Sugarcane in the state in 1984-85 was 459.36 Qtl./hect. which increased to 553.12 Qtl./hect. in 1989-90, 574.92 Qtl./hect. in 1991-92 and to 599.45 qtl./hect. in 1994-95. But in 1996-97, it slightly decreased to 593.89 qtl./hect. and again increased to 606.91 qtl./hect. in 1995-96. In 1997-98, it further increased to 610.85 qtl./hect. In 1998-99, it again decreased to 590.20 qtl./hect.

28. The productivity of Potato went up from 170.00 qtl./hect. in 1984-85 to 182.02 qtl./hect. in 1989-90. It came down to 174.85 qtl./hect. in 1991-92. It further increased to 181.74 qtl./hect. and 200.83 qtl./hect. in 1994-95 and 1995-96 respectively. In 1996-97, the productivity of potato rose to 225.62 qtl./hect. In 1997-98, it decreased to 146.69 qtl./hect. In 1998-99, the productivity of potato again increased to 226.31 qtl./hect.

29. This productivity of potato in 1996-97 was much lower than the states like West Bengal (273.23 qtl./hect.) and Gujarat (246.67 Qtl./hect.).

30. It is worth mentioning here that in 1996-97, Uttar Pradesh contributed the highest share of 21.4 percent to the total foodgrain produced in the country. As a result of this, the state's per capita foodgrain production of 279 kg. was 31.0 percent higher than the corresponding national average of 213 kg. in 1996-97.

31. According to Agriculture census 1990-91, about 73.8 percent holdings were found below one hectare and the average size of such holdings was found 0.90 hectare only. Under such smallholdings, the agricultural area covered was 5653.4 thousand hectare. This area was about 32.7 percent of the total net area sown in 1994-95 in the state. The irrigation coverage in 1997-98 in the state was found to be only about 68.6 percent. It is evident from above that in 1997-98, about 31.4 percent agricultural area was not given any irrigation facility.

32. According to Agriculture census 1990-91, there are large numbers of operational holdings having area below one hectare. Due to these small sizes of holdings, cultivators having holdings below one hectare are unable to make use of improved agricultural inputs. Under such conditions, the state is bound to suffer from lower productivity. As per latest available data on productivity, 2088 kg/hect. average foodgrains

productivity in U.P. in 1996-97 is only 55.1 percent of Punjab (3787 kg/hect.). In 1997-98, the productivity decreased to 2027 kg/hect in U.P. as compared to 3597 kg/hect in Punjab and 2716 kg/hect in Haryana.

## **Industry**

33. Industry plays a crucial role in the development of the state's economy. Though the country has developed in the field of industry, it has not been able to achieve the desired rate of growth. For achieving a higher growth in industry, considerable emphasis has been laid on creation of proper infrastructure, particularly from the Sixth Plan period. However, the pace of industrial development in the state has been lagging behind the more industrially advanced states. It reveals from the fact that according to 1991 census only 7.75 percent of the total main workers were engaged in other than household industries in the state as against the national average of 10.03 percent

34. Due to low investment in industries, inadequate growth in number of factories, poor absorption of work-force and low productivity, Uttar Pradesh is lagged behind most of the industrially developed states of the country. According to latest available data of Annual Survey of Industry (1995-96), Uttar Pradesh had a share of only 9.3 percent in total investment, 7.9 percent in total number of factories, 8.0 percent in factory workers and 8.4 percent in value added in the manufacturing sector. The lower level of investment in industries leads to a lower number of factories and registered working factories per lakh of population. The per capita investment in the state in industries was Rs. 3021.00 in 1995-96 which was much lower than all major states except Bihar Rs. 2250.00. In 1995-96, the number of registered working factories per lakh of population was 7.0 which was much lower than all the major states except Bihar (4.7), Madhya Pradesh (6.4) and Orissa (5.2). The value added per industrial worker reflects the productivity of industrial worker.

35. The amount of value added per industrial worker in Uttar Pradesh in 1995-96 was Rs. 109828.00 while the national average was Rs. 190828. The states of Maharashtra and Gujarat had much higher corresponding value added of Rs. 307795.00 and Rs. 259524.00 respectively.

36. Efforts were made to create a favourable climate for industrial development in the state during the Sixth Five-Year Plan (1980-85). This resulted into accelerated industrial growth during the following years of Seventh Five Year Plan (1985-90) and onwards. As a result, the state income (at current prices) from manufacturing sector rose up from Rs. 2380.55 crore in 1984-85 to Rs. 5945.85 crore in 1989-90, to Rs. 7764.67 crore in 1991-92 and further to Rs. 15391.54 crore in 1997-98 registering an increase of 49.8 percent, 30.6 percent and 98.2 percent respectively. The pace of industrial development in the state was comparatively higher during post Sixth Plan period than the national average. It is evident from the fact that the gap between contribution of manufacturing sector to total SDP and total N.D.P. narrowed down from 4.1 percentage points in 1989-90 to 5.0 percentage points in 1996-97.

37. Food products, Basic metal and alloys, Rubber, Plastic and Petroleum products, Chemical (except petroleum & coal products), Machinery (including electrical machinery), Transport equipment & parts and Electricity are the seven major industries which occupy an important place in the Industrial structure of the state. According to data released by the Annual Survey of Industries (1995-96), out of the total investment

of Rs. 45538.74 crore in industries, the share of aforesaid industries was 83.3 percent. These seven industries contributed 79.4 percent to total industrial production (gross out put) of Rs. 57063.39 crore and 78.9 percent in net value added of about Rs. 11685.20 crore. These industries also account for 65.1 percent of the total 797.29 thousand employees in manufacturing sector.

38. In the seven industries stated above of the state, electricity sector stood at the top with a share of 28.7 percent in the total investment, but its contribution in the total industrial production was only 10.8 percent which is much lower than the total investment. On the other hand, the share of invested capital on food products was 12.5 percent and its contribution in the total industrial production was 18.1 percent which is higher than the total investment. On machinery (including electrical machinery), the percentage share of investment was 7.8 and the production was 11.2 percent of the total. So far as net value added is concerned, electricity contributed a maximum of 22.4 percent in total industrial net value added of Rs. 11685.20 crore. Chemical and chemical products stood at the second position contributing 15.0 percent of total industrial net value added. Machinery, other than transport industry, stood at the third place as it contributed 12.3 percent. Food manufacturing industry had absorbed the maximum 24.1 percent employees followed by 10.9 percent employees in Machinery & Electrical machinery. The industry group of "Transport equipment & parts" had the minimum percentage share of only 4.6 in invested capital. This gives an idea of the relative importance of these industries in the industrial mix of the state.

39. To combat the problem of unemployment with limited financial resources, the data regarding productivity, profitability and employment generation capacity in industry, per unit of investment, may be of some use. It may be observed that Food manufacturing industry had a productivity of Rs. 1.80 crore on every one crore rupee of investment in 1995-96. This level of productivity, though, far behind the corresponding productivity of Rs. 3.01 crore in "Rubber petroleum and coal products" was over and above in comparison to the average level of productivity of Rs. 1.25 crore for all industries. The productivity of "Basic metal & alloys industries was Rs. 1.33 crore per crore of investment. The productivity of "Transport equipment & Parts was Rs. 1.71 crore. The productivity of Chemical & Chemical products and Electricity at Rs 0.90 crore and Rs. 0.47 crore were lower than the productivity of all industries (Rs. 1.25 crore). In terms of profitability, Basic metals & alloys had the highest profitability of Rs/ 17.08 lakh per crore rupee of investment in 1995-96. This profitability was also higher than the average profitability of all industries (Rs. 8.24 lakh). The lowest profitability was Rs. 3.40 lakh in food products. In terms of employment creation capability, "Food Products" had the highest number of 34 employees while the "Transport equipments & parts" group held the second position in the 28 employees per crore Rs. of investment. These two groups had the higher employment creation capability as compared to the average for all industries of 18 employees per crore of investment. Machinery (other than transport) held the third position with 25 employees per crore of investment. Rest of the four industries had lower employment creation capability than the average for all industries.

40. Sugar, Vanaspati and Cement play an important role in traditional industries of the state. During the Seventh Plan period, the production of sugar was 44.7 percent higher than 1984-85. During 1991-92, the production of sugar increased to 3264 Th.Mt.registering an increase of 29.9 percent over 1989-90. It

increased to 4224.8 Th.Mt. in 1996-97 over 1991-92 and the percentage increase was 29.4. It further increased to 4493.5 Th.Mt. in 1997-98 while in 1998-99 it declined to 3447.8 Th.Mt.

41. During the Seventh Plan period, the production of Vanaspati increased to 20.4 percent over 1984-85. It again increased to 183 Th.Mt. showing 10.9 percent increase in 1991-92 over 1989-90. In 1996-97, the production of Vanaspati remained 224.6 Th.Mt. It was 22.7 percent higher than the production of 1991-92. In 1997-98, the production of Vanaspati was 238.3 Th.M.T. registering an increase of 6.1 percent over the previous year.

42. The production of Cement rose upto 991 Th.M.T. in 1989-90 registering a 4.5 percent increase over 1984-85. In 1991-92, the production of cement decreased to 517 Th.M.T. and the percentage fall was 47.8. Again it increased to 425.4 Th.M.T. in 1996-97 showing a 17.7 percent decrease over 1991-92. It again decreased to 830.0 Th.M.T. in 1997-98 showing a 28.8 percent fall over the previous year. The cement production in 1998-99 was 498.00 Th.M.T.

43 By the Industrial Production Index, the over all growth in industry can be measured. The Industrial Production Index (1970-71=100) rose up by 53.2 percent during the Seventh Plan Period (i.e. 276.6 in 1984-85 to 423.8 in 1989-90). It further increased to 3.5 percent in 1991-92 over 1989-90. During 1992-98, the Industrial Production Index rose by 24.4 percent (i.e. 438.5 in 1991-92 to 545.5 in 1997-98. During 1995-98, the Industrial Production Index increased by 97.2 percent. Thus, we see that the Industrial Production Index of the state has always shown a rising trend. It may be mentioned that the Industrial Production Index in 1998-99 increased by 2.8 percent over 1997-98 in the new series of 1993-94.

## **Infrastructure**

44. Infrastructure plays a crucial role in the development of an economy. Through, it is a comprehensive term, the main constituents of infrastructure are energy, roads, education and medical & health.

## **Energy**

45. Electricity is a basic and most important input for economic and social development. During 1985-90, the installed capacity of electricity rose up from 4148 MW in 1984-85 to 5527 MW in 1989-90 registering an increase of 33.2 percent. But in 1991-92, it declined by 6.3 percent to 5179 MW. It further increased to 6059 MW in 1995-96 and 1996-97 and 6169 MW in 1997-98 showing a rise of 17.2 percent and 19.1 percent over 1991-92. In the same way, the generation of electricity increased by 66.8 percent from 11327 MU in 1984-85 to 18888 MU in 1989-90. In 1991-92, it declined by 0.8 percent to 18743 MU and further increased by 26.1 percent to 23637 MU in 1996-97 and again to 23790 MU in 1997-98. The total electricity consumed in the state was 10738 MU in 1984-85 which rose up by 67.6 percent to 17998 MU in 1989-90, by 16.1 percent to 20896 MU in 1991-92 and further by 27.8 percent to 26715 MU in 1997-98. The percentage share of power consumed for domestic purposes increased from 14.4 in 1984-85 to 15.9 in 1989-90, to 19.6 in 1991-92, 24.9 in 1996-97 and again to 27.5 in 1997-98. The percentage share of power consumed for industrial purposes decreased from 38.8 in 1984-85 to 31.9 in 1989-90, to



28.0 in 1991-92, to 24.2 in 1996-97 and again to 23.0 in 1997-98 while the percentage share of power consumed for agricultural purposes increased from 33.6 in 1984-85 to 40.2 in 1989-90, but after that it decreased to 39.4 percent in 1991-92, to 37.1 percent in 1996-97. It decreased to 35.4 in 1997-98. An interesting feature is that in 1984-85, the percentage share of power consumed for agricultural purpose was lower than the power consumed for industrial purposes, but after that the power consumed for agricultural purposes has always remained higher than the power consumed for industrial purposes. The per capita power consumption in the state increased from 109 Kwh in 1984-85 to 157 Kwh in 1989-90, to 174 Kwh in 1991-92 and 197 Kwh 1996-97 but it decreased to 194 Kwh in 1997-98. Though the per capita consumption of power has increased in the state, the gap between state and national average per capita consumption had widened from 81 Kwh in 1989-90 to 144 Kwh in 1996-97 and 155 Kwh in 1997-98.

46. The number of electrified villages in the state was 63075 in 1984-85 which increased by 27.4 percent to 80358 in 1989-90, by 3.7 percent to 83309 in 1991-92 and further by 1.3 percent to 87930 in 1997-98 and 89091 in 1998-99. The percentage of electrified villages to total villages in the state was 56.0 in 1984-85 which increased to 71.4 in 1989-90 to 74.0 in 1991-92 and further to 78.0 in 1997-98 and 79.0 in 1998-99. In the state about 22.1 percent villages are unelectrified lagging behind the states like Gujarat, Haryana, Karnataka, Kerala, Andhra Pradesh, Maharashtra, Punjab and Tamil Nadu where cent per cent villages are electrified. Bihar with 70.6 percent and Orissa with 70.7 percent electrified villages are the only major states of the country which are behind this state in this respect.

## **Road**

47. Roads are the basic infrastructure facility for the development of the State's economy. The length of surfaced roads maintained by P.W.D. in the state was 56017 km. in 1984-85 which increased by 20.5 percent to 67478 km. in 1989-90 and further by 11.7 percent to 75394 km. in 1991-92. Again it rose up to 97219 km. in 1997-98 and to 102433 km. in 1998-99 registering an increase of 5.4 percent. During the Seventh Plan period, the length of surfaced roads per lakh of population increased by 7.7 percent from 46.9 km. in 1984-85 to 50.5 km. in 1989-90 and to 53.6 km. in 1991-92. It again increased from 60.0 km. in 1996-97 to 62.1 km. in 1998-99. Likewise, the length of roads per 100 sq. km. of area also went up by 20.5 percent, 11.8 percent, 5.0 percent and 4.1 percent respectively during the aforesaid period. Though, the density of roads with respect to population in the state reached the level of 62.1 in 1998-99, it was still much lower than the other major states in 1991-92, i.e. Punjab (177.4 km.), Haryana (131.9 km.), Rajasthan (111.3 km.) and Madhya Pradesh (108.2 km.). In the same way, the length of roads per 100 sq. km. area continuously increased in the state and reached the level of 32.8 km. But it was much lower in comparison to the level reached in other states in 1991-92, i.e. Punjab (72.6 km.), Haryana (50.0 km.), Kerala (47.5 km.) and Tamil Nadu (50.0 km.). The no. of villages connected with all weather roads with a population of 1500 and above (15567) was 7731 in 1984-85 which increased to 10413 in 1989-90 to 13450 in 1991-92 and to 14124 in 1997-98. Likewise, the no. of villages connected with all weather roads with a population of 1000-1499 (13764) was 4893 in 1984-85 which increased to 6522 in 1989-90 to 7513 in 1991-92 and to 8678 in 1997-98.

## **Education**

48. Education plays an important role in developing the health, mind and moral character of human resources. The literacy rate of 41.60 percent in the state was much lower than the all India average of 52.21 percent. It was not only lower than the all India average, but than all major states also, except Bihar (38.48 percent) and Rajasthan (38.55 percent). This lower literacy rate is due to a much lower literacy rate for the female population. In 1991, the literacy rate in male population was 55.73 percent while it was only 25.31 percent in female population. There are many causes which are responsible for low literacy rate. One of them is inadequate educational facilities in the state. The number of Junior Basic Schools in the state had moved up by 1.8 percent from 72962 in 1984-85 to 74275 in 1989-90. It further rose to 78640 in 1991-92, to 91093 in 1996-97, 92554 in 1997-98 and again to 94476 in 1998-99 registering an increase of 5.9 percent, 15.8 percent, 1.6 percent and 2.1 percent, respectively. The number of Junior Basic schools per lakh of population in 1994-95 was 55 which was much lower than all the major states except Gujarat (33), Haryana (32), Karnataka (48), Kerala (22), Maharashtra (48) and Tamil Nadu (52). The number of Junior Basic schools per lakh of population in 1997-98 in the state was 59. The number of Senior Basic schools had increased by 11.4 percent during the Seventh Five Year Plan (1985-90). In 1984-85, the number of Senior Basic schools was 14112 which moved up to 14549 in 1989-90, to 17676 in 1991-92, 19917 in 1996-97, 20436 in 1997-98 and to 20675 in 1998-99 registering an increase of 3.1 percent, 21.5 percent, 12.7 percent, 2.6 percent and 1.2 percent, respectively. Likewise, the enrollment of children in the age group of 6-11 years went up from 11707 thousand in 1984-85 to 13496 thousand in 1989-90 showing an increase of 15.3 percent. In 1991-92, it decreased by 7.6 percent to 12476 thousand. Again it increased by 8.8 percent to 13571 thousand in 1996-97, by 1.0 percent to 13708 thousand in 1997-98 and by 1.1 percent to 13856 thousand in 1998-99. In the same way, the number of children in Senior Basic schools had a rising trend during the period 1985-98. It went up from 3723 thousand in 1984-85 to 4149 thousand in 1989-90, 4408 thousand in 1991-92, 4726 thousand in 1996-97, 4773 thousand in 1997-98 and further to 4818 thousand in 1998-99, showing an increase of 11.4 percent, 6.2 percent, 7.2 percent, and 1.0 percent, but it decreased to 45.1 percent in 1998-99. The enrollment of school going girls did not keep pace with the enrollment of boys. In 1997-98, the number of boys enrolled in Junior Basic schools was 8639 thousand while the number of girls was only 5069 thousand. Likewise, the number of boys enrolled in Senior Basic schools was 3270 thousand while the number of girls enrolled was only 1503 thousand. It is obvious from above that the enrollment of girls is much lower in comparison to boys. In 1980-81, the teacher student ratio in Junior Basic schools was 39 which went up to 42 in 1998-99. Likewise, the teacher student ratio in Senior Basic schools was 21 in 1980-81 which rose to 30 in 1998-99. Thus, it is essential to appoint additional teachers to maintain the teacher-student ratio.

## **Medical & Health**

49. Medical and Health Services are essential inputs for the development of human resources. During the Seventh plan period, the number of state Allopathic Hospitals and Dispensaries in the state increased by 26.8 percent from 3102 in 1984-85 to 3934 in 1989-90 and again by 21.8 percent to 4794 in 1991-92. It further increased by 3.5 percent to 4962 in 1996-97, 1997-98 and 4964 in 1998-99. The availability to Allopathic Hospitals and Dispensaries per lakh of population increased from 2.57 in 1984-85 to 2.91 in

1989-90 and to 3.41 in 1991-92. But afterwards, it declined to 3.24 in 1996-97, 3.19 in 1997-98 and further to 3.01 in 1998-99. It was much lower in comparison to other major states like Gujarat (20), Kerala (14), Maharashtra (14) and Punjab (9) of 1991-92. The number of beds in Allopathic Hospitals and Dispensaries was 46816 in 1984-85 which increased to 53631 in 1989-90, 59719 in 1991-92 and to 62558 in 1996-97, 1997-98 and 1998-99 registering a rise of 14.6 percent in 1989-90, 11.4 percent in 1991-92, 4.8 percent in 1996-97, 1997-98 and 1998-99. The number of beds per lakh of population was 38.82 in 1984-85, 39.73 in 1989-90 and 42.48 in 1991-92. It again declined to 40.82 in 1996-97 and 40.17 in 1997-98. It was much lower than the number of beds available per lakh of population in Gujarat (146), Karnataka (84), Kerala (262), Punjab (106), Tamil Nadu (89) and West Bengal (80) in 1991-92. Likewise, the number of Ayurvedic Hospitals and Dispensaries increased from 1669 in 1984-85, 2064 in 1989-90, 2182 in 1991-92, 2300 in 1996-97 and to 2550 in 1997-98. The number of Homeopathic Hospitals and Dispensaries in the state was 950 in 1989-90 which increased to 1037 in 1991-92, 1149 in 1996-97, 1354 in 1997-98 and to 1404 in 1998-99.

## **Water**

50. "Water" is said to be the life of all the living beings on earth. It is an integral part of health of the masses. In order to provide safe and hygienic drinking water to the people, it is necessary to cover more and more villages under safe potable water supply. The number of villages covered under these schemes in 1984-85 was 40070 which rose to 95138 in 1989-90, to 103817 in 1991-92 and to 109278 in 1994-95 registering an increase of 137.4 percent, 9.1 percent and 5.2 percent respectively. Consequently, the population benefitted by this programme also rose up from 273 lakh in 1984-85 to 537 lakh in 1989-90, to 573 lakh in 1991-92 and 660 lakh in 1994-95.

## Interstate Shares in Population &amp; Land Resources

S.No.	States	% Share in	Land Resources % Share in			
		Population	Geographical	Forest Area	Net Area Sown	Gross Cropped
		1991	Area 1991	1995-96	1995-96	Area 1995-96
1	2	3	4	5	6	7
1	Andhra Pradesh	7.86	8.37	8.93	7.48	6.99
2	Bihar	10.21	5.29	4.28	5.15	5.37
3	Gujarat	4.88	5.96	2.74	6.76	5.40
4	Haryana	1.95	1.34	0.16	2.52	3.20
5	Karnataka	5.31	5.83	4.45	7.33	6.41
6	Kerala	3.44	1.18	1.57	1.59	1.65
7	Madhya Pradesh	7.82	13.49	21.31	13.89	13.42
8	Maharashtra	9.33	9.36	7.67	12.59	11.43
9	Orissa	3.74	4.74	8.31	4.37	5.18
10	Punjab	2.40	1.53	0.42	2.91	4.16
11	Rajasthan	5.20	10.41	3.57	11.65	10.54
12	Tamil Nadu	6.60	3.96	3.11	3.76	3.77
13	Uttar Pradesh	16.44	8.96	7.50	12.23	13.83
14	West Bengal	8.04	2.70	1.74	3.84	4.38
	ALL STATES / INDIA	100.00	100.00	100.00	100.00	100.00

## Trend in Urban Population

S.No.	State	Urban Population		%age Increase	Percentage share of Urban Population in		Percentage share in Country	
		('000)			Total Population			
		1981	1991	during 1981-91	1981	1991	1981	1991
1	2	3	4	5	6	7	8	9
1	Andhra Pradesh	12488	17887	43.2	23.32	26.90	7.8	8.2
2	Bihar	8719	11353	30.2	12.47	13.10	5.5	5.2
3	Gujarat	10602	14246	34.4	31.10	34.50	6.6	6.5
4	Haryana	2827	4055	43.4	21.88	24.60	1.8	1.8
5	Karnataka	10730	13908	29.6	28.89	30.90	6.7	6.4
6	Kerala	4771	7680	61.0	18.74	26.40	3.0	3.5
7	Madhya Pradesh	10586	15339	44.9	20.29	23.20	6.6	7.0
8	Maharashtra	21994	30542	38.9	35.03	38.70	13.8	14.0
9	Orissa	3110	4235	36.2	11.79	13.40	2.0	1.9
10	Punjab	4648	5993	28.9	27.68	29.60	2.9	2.8
11	Rajasthan	7211	10067	39.6	21.05	22.90	4.5	4.6
12	Tamil Nadu	15952	19078	19.6	32.95	34.20	10.0	8.8
13	Uttar Pradesh	19899	27606	38.7	17.95	19.80	12.5	12.7
14	West Bengal	14447	18708	29.5	26.47	27.50	9.1	8.6
	ALL INDIA	159463	217611	36.5	23.31	25.70	100.0	100.0

## Population Details

S.No.	States	Population (Lakh) 1991	Density Persons Sq.Km. 1991	Sex Ratio 1991	% of Urban Population 1991	% of total Workers in Population 1991	% of Scheduled Castes Population in total Population 1991	Annual Growth rates of Population	
								1971-81	1981-91
1	2	3	4	5	6	7	8	9	10
1	Andhra Pradesh	665	242	972	26.90	45.00	15.90	2.10	2.19
2	Bihar	864	497	911	13.10	32.20	14.60	2.17	2.14
3	Gujarat	413	211	934	34.50	40.20	7.40	2.46	1.94
4	Haryana	165	372	865	24.60	31.00	19.80	2.55	2.45
5	Karnataka	450	235	960	30.90	42.00	16.40	2.39	1.93
6	Kerala	291	749	1036	26.40	31.40	9.90	1.77	1.35
7	Madhya Pradesh	662	149	931	23.20	42.80	14.60	2.27	2.41
8	Maharashtra	789	257	934	38.70	43.00	11.10	2.21	2.32
9	Orissa	317	203	971	13.40	37.50	16.20	1.85	1.85
10	Punjab	203	403	882	29.60	30.90	28.30	2.16	1.91
11	Rajasthan	440	129	910	22.90	38.90	17.30	2.87	2.53
12	Tamil Nadu	559	429	974	34.20	43.30	19.20	1.63	1.44
13	Uttar Pradesh	1391	473	879	19.80	32.20	21.00	2.29	2.29
14	West Bengal	681	767	917	27.50	32.20	23.60	2.10	2.23
	<b>ALL INDIA</b>	<b>8463</b>	<b>274</b>	<b>927</b>	<b>25.70</b>	<b>37.50</b>	<b>16.50</b>	<b>2.25</b>	<b>2.13</b>

**Table-4 Percentage Distribution of Villages According to Population Size and Percentage Share of Population in them 1991**

S. No.	States	0 - 499		500 - 1999		2000 - 4999		5000 or above	
		Villages	Population	Villages	Population	Villages	Population	Villages	Population
1	2	3	4	5	6	7	8	9	10
1	Andhra Pradesh	26.7	3.3	42.1	26.4	24.5	41.2	6.7	29.1
2	Bihar	42.7	9.5	43.1	39.6	11.3	30.5	2.9	20.4
3	Gujarat	21.6	4.2	55.8	41.2	19.0	37.2	3.5	17.4
4	Haryana	16.0	2.4	52.8	32.6	25.2	41.4	5.0	23.6
5	Karnataka	35.8	8.0	49.1	43.7	12.6	32.4	2.5	15.9
6	Kerala	0.3		1.4	0.1	7.4	1.8	90.9	98.1
7	Madhya Pradesh	48.8	18.2	46.3	60.6	4.5	17.9	0.4	3.3
8	Maharashtra	29.0	6.8	57.0	49.2	11.7	28.2	2.3	15.8
9	Orissa	60.8	22.9	35.1	56.3	3.9	18.4	0.2	2.4
10	Punjab	30.9	7.1	54.2	49.2	13.1	33.0	1.8	10.7
11	Rajasthan	44.9	12.5	45.3	50.3	8.6	27.9	1.2	9.3
12	Tamil Nadu	13.1	1.6	47.2	24.1	30.1	40.4	9.6	33.9
13	Uttar Pradesh	40.1	9.9	48.0	50.0	10.6	30.9	1.3	9.2
14	West Bengal	35.5	7.0	45.6	36.7	15.4	35.5	3.5	20.8
	ALL INDIA	42.2+	9.5+	47.7+	42.5+	10.8+	29.8+	2.3+	18.2+

+ Excludes Jammu & Kashmir

## Average Annual Growth in Total Income and in per Capital Income of U.P. and All India (in Percentage)

Period	Annual Growth in Total Income		Per Capita Income	
	U.P.	All India	U.P.	All India
1	2	3	4	5
1951-52 to 1955-56	2.0	3.6	0.5	1.7
1956-57 to 1960-61	1.9	4.0	0.3	1.9
1961-62 to 1965-66	1.6	2.2	(-)0.2	0.0
1966-67 to 1968-69	0.3	4.0	(-)1.5	1.8
1969-70 to 1973-74	2.3	3.3	0.4	1.1
1974-75 to 1978-79	5.7	5.3	3.3	2.9
1981-82 to 1984-85	3.9	4.9	1.5	2.7
1985-86 to 1989-90	5.7	5.8	3.3	3.6
1990-91 to 1991-92	3.1	2.5	1.1	0.4
1992-93 to 1996-97	3.2	6.8	1.4	4.9
1981-82 to 1997-98	4.0	5.4	1.9	3.3
1994-95 to 1998-99	4.4	6.9	2.2	5.0
(New Series) 1993-94				



## Estimates of State and National Income (at Current Prices)

(In Crore Rs.)			
Year	State Income	National Income	State's contribution to National Income (percent)
1	2	3	4
1980-81	14012	110685	12.7
1981-82	15036	128797	11.7
1982-83	17600	141875	12.4
1983-84	19533	166550	11.7
1984-85	21514	185018	11.6
1985-86	24669	206133	12.0
1986-87	27237	228402	11.9
1987-88	30481	258891	11.8
1988-89*	36601	309289	11.8
1989-90*	41664	357285	11.7
1990-91*	49496	418074	11.8
1991-92*	57206	479612	11.9
1992-93*	62056	546023	11.4
1993-94*	69846	637996	10.9
1994-95*	79135	748652	10.6
1995-96*	88511	881216*	10.0
1996-97*	102864	1008188x	10.2
1997-98x	113105	N.A.	-

\* Provisional Estimate  
x Quick Estimate

## New Series (1993-94)

(At Current Prices)

Year	State Income	National Income	State's contribution to National Income (percent)
1	2	3	4
1993-94*	78211	704038	11.1
1994-95*	91867	833325	11.0
1995-96*	102478	975645	10.5
1996-97*	120955	1140895	10.6
1997-98*	133617	1265167	10.6
1998-99x	152726	1431527	10.7

\* Provisional Estimate  
x Quick Estimate

**Gap between Per Capita State And National Income**

old series (1980-81)

(At Current Prices)

Year	Per Capita Income (Rs.)		Gap (Rs.)	Percentage shortfall in U.P. against India
	U.P.	India		
1	2	3	4	5
1980-81	1278	1630	352	21.6
1981-82	1338	1861	523	28.1
1982-83	1529	2004	475	23.7
1983-84	1658	2304	646	28.0
1984-85	1784	2504	720	28.8
1985-86	1999	2730	731	26.8
1986-87	2157	2962	805	27.2
1987-88	2360	3285	925	28.2
1988-89	2771	3842	1071	27.9
1989-90	3087*	4347	1260	29.0
1990-91	3590*	4983	1393	28.0
1991-92	4069*	5603	1534	27.4
1992-93	4335*	6262	1927	30.8
1993-94	4794*	7185	2391	33.3
1994-95	5339*	8282	2943	35.5
1995-96	5872*	9578*	3706	38.7
1996-97	6713*	10771\$	4058	37.7
1997-98	7263\$	N.A.	N.A.	N.A.

\* Provisional estimate

N.A. = Not Available

\$ Quick estimates

New Series (1993-94)

(At Current prices)

Year	Per Capita Income (Rs.)		Gap (Rs.)	Percentage shortfall in U.P. against India
	U.P.	India		
1	2	3	4	5
1993-94*	5287	7902	2615	33.1
1994-95*	6064	9178	3114	33.9
1995-96*	6605	10525	3920	37.2
1996-97*	7637	12099	4462	36.9
1997-98*	8273	13193	4920	37.3
1998-99\$	9261	14682	5421	36.9

\* Provisional estimate

\$ Quick estimates

**Sectoral Distribution of Total State And National Income Percentage Contribution of State Income to National Income**

Old Series (1980-81)

(At current Prices)

Year	Sectoral Distribution						State's Percentage Contribution to different Sectors		
	Uttar Pradesh			India			Primary	Secondary	Tertiary
	Primary	Secondary	Tertiary	Primary	Secondary	Tertiary			
1	2	3	4	5	6	7	8	9	10
1980-81	52.3	15.3	32.4	41.3	23.0	35.7	16.1	8.5	11.5
1981-82	49.8	15.6	34.6	41.0	22.8	36.2	14.2	8.0	11.1
1982-83	48.2	17.2	34.6	39.6	23.1	37.3	15.0	9.2	11.4
1983-84	47.2	17.2	35.6	40.4	23.2	36.4	13.6	8.7	11.4
1984-85	45.4	18.0	36.6	38.7	23.8	37.5	13.6	8.7	11.2
1985-86	45.2	18.5	36.3	37.1	24.2	38.7	14.4	9.1	11.2
1986-87	43.4	19.0	37.6	35.7	24.4	39.9	14.4	9.2	11.2
1987-88	42.6	19.7	37.7	35.0	24.8	40.2	14.2	9.3	10.9
1988-89	42.6	21.2	36.2	36.4	24.4	39.2	13.6	10.1	10.8
1989-90*	41.1	21.2	37.7	34.9	25.5	39.6	13.5	9.5	10.9
1990-91*	42.6	20.8	36.6	34.7	25.5	39.8	14.3	9.5	10.7
1991-92*	43.7	20.3	36.0	35.0	23.9	41.1	14.6	9.9	10.2
1992-93*	41.0	21.0	38.0	34.2	24.3	41.5	13.1	9.6	10.2
1993-94*	42.7	19.9	37.5	34.2	23.9	41.9	13.4	8.9	9.6
1994-95*	43.0	20.0	37.0	33.4	24.9	41.7	13.3	8.3	9.2
1995-96*	41.6	20.8	37.6	30.4*	26.9*	42.7*	13.5	7.7	8.7
1996-97*	43.0	20.7	36.3	29.6\$	26.7\$	43.7\$	14.6	7.8	8.4
1997-98\$	40.2	21.1	38.7	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

\* Provisional estimate N.A. = Not Available

\$ Quick estimates

New Series (1993-94)

At Current Prices

Year	Sectoral Distribution						State's Percentage Contribution to different Sectors		
	U.P.			India			Primary	Secondary	Tertiary
	Primary	Secondary	Tertiary	Primary	Secondary	Tertiary			
1	2	3	4	5	6	7	8	9	10
1993-94*	40.2	18.9	40.8	34.1	21.3	44.6	12.9	9.7	10.0
1994-95*	39.5	20.6	39.9	33.8	21.9	44.3	12.7	10.2	9.8
1995-96*	38.0	20.8	41.2	31.7	23.0	45.3	12.4	9.4	9.4
1996-97*	38.8	19.4	41.8	32.7	21.8	45.6	12.5	9.3	9.6
1997-98*	36.9	19.5	43.6	30.7	21.7	47.6	12.5	9.4	9.6
1998-99+	36.3	19.3	44.4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

\* Provisional estimates N.A. = Not Available

\$ Quick estimates

**Structure of State Income**  
**(At Current Prices)**

Old Series (1980-81)		(Percentage)								
Sectors	1980-81	1984-85	1989-90*	1991-92*	1992-93*	1993-94*	1994-95*	1995-96*	1996-97*	1997-98\$
1	2	3	4	5	6	7	8	9	10	11
1.Primary	52.3	45.4	41.1	43.7	41.0	42.7	43.0	41.6	43.0	40.2
(I)Agriculture and Animal Husbandry	49.9	43.9	40.0	42.4	39.8	41.3	41.7	40.3	41.9	39.1
2. Secondary	15.3	18.0	21.2	20.3	21.0	19.9	20.0	20.8	20.7	21.1
(I)Manufacturing	9.6	11.1	14.3	13.6	14.0	13.2	13.3	13.9	13.7	13.6
a. Registered	4.3	5.7	8.8	7.9	8.2	8.0	7.8	7.7	7.5	7.5
b.Un-Registered	5.3	5.4	5.5	5.7	5.8	5.2	5.5	6.2	6.2	6.1
3.Tertiary	32.4	36.6	37.7	36.0	38.0	37.4	37.0	37.6	36.3	38.7
(I) Transport and trade	17.1	20.0	18.8	19.1	20.0	20.0	19.7	19.4	18.6	19.0
(Finance & Real Estate)	6.7	6.5	6.1	5.4	5.0	5.4	5.5	5.6	5.4	
(iii)Community & Personal Services	8.6	10.1	12.8	11.5	13.0	12.0	11.8	12.6	12.3	14.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

\* Provisional estimate  
\$ Quick estimates

**(At Current Prices)**

New Series (1993-94)		(Percentage)				
Sectors	1993-94*	1994-95*	1995-96*	1996-97*	1997-98*	1998-99\$
1	2	3	4	5	6	7
1.Primary	40.2	39.5	38.0	38.8	36.9	36.3
(I)Agriculture and Animal Husbandry	37.4	36.8	35.6	36.7	34.8	34.0
2. Secondary	18.9	20.6	20.8	19.4	19.5	19.3
(I)Manufacturing	12.7	14.5	13.8	12.7	12.6	12.3
a. Registered	7.7	9.2	8.2	7.3	7.2	7.2
b.Un-Registered	5.0	5.3	5.6	5.5	5.4	5.1
3.Tertiary	40.8	39.9	41.2	41.8	43.6	44.4
(I) Transport and trade	21.5	21.6	22.2	23.3	24.3	24.4
(Finance & Real Estate)	8.5	8.0	8.0	7.9	7.9	7.6
(iii)Community & Personal Services	10.8	10.3	11.0	10.6	11.4	12.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

\* Provisional estimate  
\$ Quick estimates

## Indicators Relating to Agriculture

S.No.	States	% of Holdings Below 1.0 hect.to Total holdings	Average size of Holdings (hect.)	Per cultivator Net.area sown (hect.)	Cropping intensity	Irrigation Coverage	Irrigation intensity	Consumption of fertilizer per hect"s" of gross cropped area (Kg./hect.)
		1990-91	1990-91	1995-96	(%) 1995-96	(%) 1995-96	(%) 1995-96	1997-98
	1	2	3	4	5	6	7	8
1	Andhra Pradesh	56.1	1.56	1.35	122.6	38.8	128.6	129.9
2	Bihar	78.6	0.83	0.66	136.9	50.3	124.5	85.9
3	Gujarat	26.3	2.93	2.04	104.9	31.2	121.8	102.0
4	Haryana	40.6	2.43	1.96	166.6	77.0	169.3	139.9
5	Karnataka	39.2	2.13	1.76	114.8	22.1	123.6	92.8
6	Kerala	92.6	0.33	2.23	136.2	15.1	136.3	71.6
7	Madhya Pradesh	37.3	2.63	1.53	126.8	30.0	104.2	48.9
8	Maharashtra	34.6	2.21	1.76	119.1	14.3	122.7	75.2
9	Orissa	53.6	1.34	1.35	155.7	33.7	125.8	30.1
10	Punjab	26.5	3.61	2.16	187.3	92.9	191.8	169.6
11	Rajasthan	29.7	4.11	2.03	118.7	31.6	121.6	40.0
12	Tamil Nadu	73.1	0.93	0.94	117.3	49.1	121.3	150.4
13	Uttar Pradesh	73.8	0.90	0.79	148.2	67.1	145.4	117.5
14	West Bengal	73.8	0.90	0.93	149.6	35.0	130.4	108.8
	INDIA	59.4	1.55	1.28	131.2	37.6	133.6	86.8

## Indicators Relating to Agriculture

S.No.	States	Percentage share of area under foodgrains crops		Percentage share in total gross value of Agriculture produce at current prices (1996-97)		% contribution in total foodgrains of India 1997-98	Per capita foodgrains production (Kg.) 1997-98
		To total cropped area 1995-96	To total area under foodgrs. crops in India 1995-96	of food crops	of non-food crops		
1	Andhra Pradesh	52.8	5.7	41.1	58.9	5.7	147
2	Bihar	89.8	7.4	55.5	44.5	6.7	132
3	Gujarat	37.2	3.1	23.2	76.8	3.0	121
4	Haryana	66.8	3.3	57.6	42.4	5.9	584
5	Karnataka	57.3	5.7	29.6	70.4	4.6	172
6	Kerala	16.2	0.4	7.7	92.3	0.4	21
7	Madhya Pradesh	69.9	14.5	53.1	46.9	9.0	224
8	Maharashtra	62.2	11.0	32.9	67.1	5.0	108
9	Orissa	58.6	4.7	39.6	60.4	3.4	188
10	Punjab	73.6	4.7	66.0	34.0	11.0	913
11	Rajasthan	60.5	9.8	43.7	56.3	7.3	269
12	Tamil Nadu	53.3	2.8	28.9	71.1	4.4	139
13	Uttar Pradesh	78.9	16.8	55.7	44.3	21.7	254
14	West Bengal	80.4	5.4	46.2	53.8	7.5	185
	INDIA	64.9	100.0	43.5	56.5	100.0	197

## Indicators Relating to Agriculture

S.No.	States	% increase in gross value of Agri.prod. (at constant Prices of 1980-81 during 1981-96)	Gross value of Agr.Prod. per hect. Of Gross cropped area(at current prices 1996-97(Rs)	Average Yield Qtl./Hect.(1997-98)				
				Rice	Wheat	Food grains	Sugar-cane	Potato
1		15	16	17	18	19	20	21
1	Andhra Pradesh	48.1	18159	24.31	-	17.11	714.95	-
2	Bihar	(-)9.1	15630	13.62	19.99	14.60	455.98	85.88
3	Gujarat	12.3	14056	15.50	23.73	14.00	717.35	206.67
4	Haryana	68.7	19341	27.97	36.60	27.16	531.69	180.00
5	Karnataka	68.7	14810	24.19	4.58	12.44	914.55	126.67
6	Kerala	68.6	32770	16.36	-	15.73	928.98	-
7	Madhya Pradesh	64.9	9542	8.31	16.25	9.77	378.32	134.00
8	Maharashtra	70.2	13141	16.21	9.04	7.38	829.34	-
9	Orissa	2.8	9435	13.80	13.20	12.06	611.76	90.00
10	Punjab	68.9	20793	34.65	38.53	35.97	568.22	170.00
11	Rajasthan	128.0	9378	11.64	25.00	10.21	499.40	-
12	Tamil Nadu	3.8	22958	29.87	-	21.02	1109.93	177.08
13	Uttar Pradesh	49.3	17731	21.48	24.98	20.27	611.21	148.05
14	West Bengal	55.6	22903	22.43	22.06	21.90	707.64	205.17
	INDIA	50.3	15154	18.95	24.70	15.51	696.47	146.02

## Past performance-Physical Achievements

Item	Unit	1984-85	1991-92	1996-97	1997-98	1998-99
1	2	3	4	5	6	7
<b>1.AGRICULTURE</b>						
1.1 Production						
(a) Foodgrains	Th.Mt.	29918	35531	42378	41679	40155
(b) Sugarcane	Th.Mt.	70888	111095	125348	121267	116303
(c) Potato	Th.Mt.	5499	6236	9591	5844	9534
(d) Oilseeds (Total)	Th.Mt.	1024	1376	1546	1002	1136
1.2 Productivity						
(a) Foodgrains						
(i) Wheat	Qtl./Hect.	18.69	23.44	26.68	24.85	25.10
(ii) Rice	Qtl./Hect.	13.00	17.38	21.13	21.41	19.59
(iii) Pulses	Qtl./Hect.	9.37	8.76	9.29	8.25	8.35
(b) Sugarcane	Qtl./Hect.	459.36	574.92	593.89	610.85	590.20
(c) Potato	Qtl./Hect.	170.00	174.85	225.62	146.69	226.31
1.3 Cropping Intensity	%	145.65	146.85	149.52	148.72	151.00
1.4 Irrigation						
(a) Potential available	Th./Hect.	18817	22595	28725	29182	29684
(b) Gross Irrigated Area	Th./Hect.	12731	15426	17475	17322	
(c) Gross Irrigated Area	%	67.7	68.3	60.9	66.5	
(d) Irrigation intensity	%	125.4	139.6	145.6	144.2	
(e) Utilization of ground water resources	%	35	38	-	-	
1.5 Consumption of fertilizers per hect. Of gross cropped area	Kg./Hect.	64.19	88.92	108.4	117.49	116.88
<b>2. POWER</b>						
2.1 Installed capacity	MW	4148	5179	6069	6169	
2.2 Generation	MU	11327	18743	23637	23790	
2.3 Consumption	MU	10738	20896	26540	26715	
2.4 Consumption of power in different use						
(i) Industry	%	38.8	28.0	24.2	23.0	
(ii) Agriculture	%	33.6	39.4	37.1	35.4	
(iii) Domestic	%	14.4	19.6	24.9	27.5	
(iv) Other uses	%	13.2	13	13.8	14.1	
2.5 Per capita power Consumption	KWH	109	174	197	194	
2.6 Gap in per capita power Consumption between State & India.	KWH	60	96	144	155	
2.7 No. of electrified villages	No.	63075	83309	87079	87930	89091
2.8 % of electrified villages to total villages	%	56.0	74.0	77.2	78.0	79.0
<b>3. INDUSTRY</b>						
3.1 Production of						
(a) Sugar	Th.Mt.	1736.0	3264.0	4224.8	4493.5	3447.8
(b) Vanaspati	Th.Mt.	137.0	183.0	224.6	238.3	N.A.
© Cement	Th.Mt.	948.0	517.0	425.4	830.0	498.0
(d) Cotton cloths	Lakh.Mtr.	1953.0	1044.0	257.0	398.0	398.7
(e) Cotton Yarn	Lakh.Mtr.	1316.0	1230.0	1123.0	1181.0	945.8
3.2 Industrial Production Index (1970-71=100)		276.6	438.5	520.5	545.5	156.71
						(New series of 1993-94)



## Past performance-Physical Achievements

Item	Unit	1984-85	1991-92	1996-97	1997-98	1998-99
1	2	3	4	5	6	7
<b>4. Roads</b>						
<b>4.1 Length of surfaced roads</b>	Km.	56017	75394	92008	97219	102433
<b>4.2 Road density</b>						
<b>(i) Per lakh of population</b>	Km.	46.9	53.6	60.0	62.4	62.1
<b>(ii) Per 100 Sq.Km.of area of</b>	Km.	19.0	25.6	31.5	33.0	34.8
<b>4.3 No. of villages connected with all weather roads</b>						
<b>(i) With population 1500 &amp; above (15567)</b>		7731	13450+	13773	14124	
<b>(ii) With population 1000-1499 (13764)</b>		49.7	86.4	88.5	90.7	
		4893	7513+	8.75	8678	
		35.5	54.6	58.7	63.0	
<b>5. Education</b>						
<b>5.1 No. of schools</b>						
<b>(i) Junior Basic</b>	No.	72962	78640	91093	92554	94476
<b>(ii) Senior Basic</b>	No.	14112	17676	19917	20436	20675
<b>5.2 Enrolment</b>						
<b>(i) Junior Basic classes i-v</b>	Th No	11707	12476	13571	13708	20632
<b>(ii) Senior Basic classes vi-viii</b>	Th No	3723	4408	4726	4773	7554
<b>5.3 Literacy rate (based on 7 years &amp; above population)</b>	%	33.3	41.6			
		(1981 Censs)	(1991 Cens)			
<b>6. Medical &amp; Health</b>						
<b>(a) Medical</b>						
<b>6.1 No. of State Allopathic hospitals/ Dispensaries</b>	No.	3102	4794	4962*	4962*	4964
		(1.1.85)	(1.1.92)	(1.1.97)	(1.1.98)	(1.1.99)
<b>6.2 No. of State Allopathic hospitals/ Dispensaries per laks of Population</b>		2.57	3.41	3.24	3.19	3.01
<b>6.3 No. of beds in State Allop.Hpt. Dis.</b>	No.	46816	59719	62558*	62558*	62558
		(1.1.85)	(1.1.92)	(1.1.97)	(1.1.98)	(1.1.99)
<b>6.4 No. of beds in State Allop.Hpt. Dis. per laks Population</b>	No.	38.82	42.48	40.82	40.17	37.93
<b>(b) Health</b>						
<b>6.5 Drinking water supply</b>						
<b>(i) No. of villages covered</b>		40070	10381	N.A.	N.A.	N.A.
<b>(ii) No. of problem villages covered</b>		34144	77664	N.A.	N.A.	N.A.
<b>(iii) No. of other villages covered</b>		5926	26153	N.A.	N.A.	N.A.
<b>6.6 Population Covered</b>		273	569	1185	1283	N.A.
R = Revised						
= Based on 1981 Census & according to.						
(i) 15567 villages with 1500 & above Population						
(ii) 13764 villages with 1000 to 1499 Population						
Based on 1991 Census & according to						
(1) 22065 villages with 1500 & above population						
(2) 15872 villages with 1000 to 1499 population.						

## CHAPTER - 3

# POVERTY AND UNEMPLOYMENT

An attempt has been made in this part to briefly touch upon the basic concept underlying poverty and the methodology for estimating it. Besides, the recommendations of the Expert Group regarding the use of deflators for updating the poverty line for rural and urban areas for a particular year has also been discussed. Factors responsible for incidence of poverty in the State along with the strategy for the alleviation of poverty has also been briefly dealt with.

### Concept

2. Poverty, in general, connotes deficiency or insufficiency of acceptable material needs of the people. It can cover a wide range; from extreme want of necessities resulting in malnutrition; to falling short of having comfortable means which may conceptually be categorized as absolute and relative. As a matter of fact, poverty in India is treated as an absolute phenomenon. The need has often been expressed in terms of a minimum basket of food items, satisfying certain desirable calorie requirements. The minimum income or consumption expenditure, which enables one to attain this basket is known as the poverty line. Thus, it becomes significant to appropriately determine this minimum requirement.

3. In the above context, in order to evolve an acceptable quantitative index for determining the poverty line along with a working methodology for measuring the incidence of poverty and number of poor, a Task Force on Projections of Minimum Needs and Effective Consumption Demand was set up by the Planning Commission, Govt. of India in 1979. In the report of the Task Force, poverty line is defined 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 in urban areas. This concept of poverty line which was accepted implied that a person who is unable to afford food having 2400 calorie intake in rural areas per day and 2100 in the urban areas should be deemed to be living below the poverty line.

### Methodology

4. The poverty line for the base year 1973-74 has been taken as the per capita expenditure level at which these calorie norms have been met, on an average, for the country as a whole as per the NSS household consumption expenditure of 1973-74 (28<sup>th</sup> round). The poverty line for these norms was estimated with the application of 'Linear inverse inter-polation method'. In money terms, it worked out to be Rs.56.64 per capita per month for rural and urban areas respectively at 1973-74 prices. In determining the poverty line separately for rural and urban areas, the wholesale price index was made use of.

## Poverty Line In The Base Year

5. However, in order to develop an appropriately common methodology for preparing estimates of poverty both for the Nation as well as for the State level, an Expert Group under the Chairmanship of Dr. D. T. Lakdawala was constituted by the Planning Commission in 1989. The Expert Group prepared the poverty estimates for the years 1973-74, 1977-78 and 1987-88 making use of base year (1973-74) estimates of expenditure cut-off points as Rs. 49 per capita per month for rural areas and Rs. 57 for urban areas. The poverty line is, thus, the cut-off line for separating poor from non-poor given the size and distribution of population by per capita expenditure classes. The population with per capita expenditure levels below the levels defined by the poverty line is counted as poor. The methodology behind these estimates is often termed as the 'official methodology'. The Expert Group also recommended that these norms should be used by all the states.

## Deflator For Updating Poverty Line

6. As per the recommendations of the Expert Group for estimating poverty line for a particular year, the monetary equivalents of poverty norms calculated for 1973-74 both for the rural as well as urban areas will be taken as the base which would be deflated with the help of relevant price indices-consumer price index for agricultural labours for rural areas and consumer price index for industrial workers for urban areas. The poverty line for the economy as a whole would be the weighted average of poverty lines for rural and urban areas, the weights being the population of respective areas. The State specific poverty lines as per new official methodology against the all-India poverty line for rural and urban areas are presented in Annexure-1.

## Past Trend

7. Based on the aforesaid calorie intake concept and the change in methodology of estimating poverty, agreed upon by the Expert Group, the estimates of poverty were revised for different points of time which are as follows :-

**Number of persons below poverty line (in lakh)**

Year	Percentage					
	Uttar Pradesh			India		
	Rural	Urban	Combined	Rural	Urban	Combined
1973-74	56.53	60.09	57.07	56.44	49.01	54.88
1977-78	47.60	58.23	49.05	53.07	45.24	51.32
1983	46.45	49.82	47.07	45.65	40.79	44.48
1987-88	41.10	42.96	41.46	39.09	38.20	38.86
1993-94	42.28	35.39	40.85	37.27	32.36	35.97

Number of persons below poverty line (in lakh)						
Year	Uttar Pradesh			India		
	Rural	Urban	Combined	Rural	Urban	Combined
1973-74	449.99	85.74	535.73	2812.90	600.46	3213.38
1977-78	407.41	96.96	504.37	2642.47	646.48	3288.95
1983	448.03	108.71	556.74	2519.57	709.40	3228.97
1987-88	429.74	106.79	536.53	2318.79	751.69	3070.48
1993-94	496.17	108.28	604.45	2440.31	763.37	3203.68

**Source:** Modified Report of Expert Group, Planning Commission, Govt. of India, March, 1997.

**Note:** State wise poverty estimates are given in Annexure-2.

8. It will be observed from the above table that incidence of poverty in the State during a span of 20 years (1973-93) has decreased from about 57% in 1973-74 to about 41% in 1993-94, indicating a reduction of about 16 percentage points in this period. The corresponding reduction in the rural and urban areas works out to about 14 & 25 respectively. However, in terms of numbers, the population below the poverty line in 1993-94 (604 lakh) was higher by about 100 lakhs than that of 1977-78 (about 504 lakh), out of which increases in rural and urban areas were about 89 lakh and 11 lakh respectively.

9. It may also be observed that the population below poverty line in the State in 1973-74 which was 16.67% of the corresponding population of all-India, was higher at 18.88%, in 1993-94. This is indicative of deterioration in U.P.'s relative poverty position over the years. Uttar Pradesh is the only State among 14 major states of the country which had not only a substantial proportion of the total poor population in the country but there was also an increasing trend in this proportion (from 16.67% to 18.88%) followed by Bihar.

10. Further, although the proportion of rural poor in the total poor population of the State has decreased from 84% in 1973-74 to 82% in 1993-94, yet more than three fourth of the poor population continues to remain in the rural areas. As against this, the poor population in the urban areas has gone up from 16 percent to 18 percent during the corresponding period. Thus, on the one hand, this situation indicates the increasing rate of urbanisation as well as more migration of poor from rural areas to cities as also underlines the inadequate job opportunities in the rural areas.

### **Estimates Of Poverty For 2000-01**

11. A desired reduction in the incidence of poverty, besides other factors, necessarily depends on the extent of growth rate in the economy and its composition. In view of this fact, prior to quantifying the magnitude of poverty reduction in 2000-01, it would be worthwhile to briefly look upon the targets of poverty reduction, which have been set out earlier, for the terminal year of the State's Nine Five Year Plan

i.e. 2001-02 as also the observed growth in State income in the first three years (1997-2000) of the plan and its distributional pattern.

12. The percentage of poverty in the State was envisaged to come down from 41.16 percent in 1996-97 to 33.74 percent in 2001-02. The corresponding reduction in poverty in rural areas was from 42.58% to 33.29%. However, the percentage of poverty in urban areas was estimated at about 35% , almost the same level as was in 1996-97. In this context, it may be mentioned that while preparing estimates of poverty incidence for the Ninth Plan, a growth rate of 3.5% per annum was assumed in the consumption level against the targeted annual growth rate of 7% in State income for the Ninth Plan period. In case of rural-urban disparity index for the Ninth Plan period, the assumption regarding consumption was based on two grounds. First, the growth rate of consumption during 1987-93 as revealed by NSS data was observed to be about 3%. Secondly, it was expected that post economic reform growth will entail commensurate consumption gains to the poor. Besides, the rural-urban disparity was assumed to come down to 1.30% in the Ninth Plan period, which was 1.46% in 1987-88 and 1.42% in 1993-94.

13. However, looking at the performance of the State's economy, which has been observed in the first two years i.e. 1997-98 & 1998-99 and that expected for the third year i.e. 1999-2000, the situation is not fully encouraging. The observed growth rate of the State's economy has been 2.3% in 1997-98 and 3.6% in 1998-99 against the targeted annual growth rate of 7%. Although, the estimate of income for the year 1999-2000 are not available, yet it can be tentatively estimated. The estimated growth of national income for the year 1999-2000, as recently brought out by the CSO, is placed at 6.5% against 6.8% in 1998-99 indicating a reduction of 0.3 percentage points as compared to the latter. As mentioned earlier, the State's economy achieved a growth rate of 3.6% in 1998-99. Hence, on this basis and considering 1999-2000 as a normal year, the growth rate for 1999-2000 may plausibly be assumed in the neighbourhood of 4%. As regards the growth rate for 2000-01, it remains targeted at 7%.

14. So far as the distributional pattern of growth is concerned, the situation again does not appear to be quite hopeful. The data relating to 53<sup>rd</sup> round (1997) of NSS indicate a very slight reduction in rural-urban disparity in Uttar Pradesh from 1.42% in 1993-94 to 1.40% in 1997. The research studies # carried out by the scholars in this regard amply demonstrate the inequality in consumption, distributional which increased in the post-reform period as compared to the pre-reform period. As a result, in the post-reform period, the rural poverty reduction has been very slow or arrested. On the other hand, urban poverty recorded a significant decline in the 1990s.

15. In case of all-India, it has also been observed that the composition of growth has been such that it is largely led by Industrial and Services sectors both of which have a typical 'urban bias' to the growth.

1. New Light on Poverty Puzzle – Swaminathan S. Anllesaria Aiyar,
2. E.T. 14 June, 2000.
3. Economic Reforms, Poverty, Income Distribution & Employment S. Mahendra Dev, E.P.W. 4<sup>th</sup> March 2000.

4. What is Needed for a More Pro-poor Growth Process in India—Martin Ravallion E.P.W. 25<sup>th</sup> March 2000.

16. The developmental process seems to have benefited the urban areas more than the hinterlands of India, wherein reside the poor masses. Almost similar indications are revealed from the growth pattern of the State's economy. As indicated earlier, the overall growth rate of the State's economy during 1992-97, 1997-98 & 1998-99 was 3.2%, 2.3% & 3.6% respectively. However, the corresponding growth rate in the Agriculture sector of the State's economy has been 2.6%, (-) 2.9% and 1.1% respectively while the corresponding magnitudes in the Industrial & Services sectors were 4.2% & 3.5%, 4.3% & 5.5% and 3.1% & 5.5% respectively. In view of these facts/ observations, the rural-urban disparity in consumption has now been assumed at 1.38 against 1.30 taken earlier for the Nine Five Plan period.

17. Based on the aforesaid assumption, the estimates of poverty for 2000-1 & 2001-02 are worked out as provided in the table given below.

**Table :**  
**Estimates of Poverty**  
Population below poverty line

Base Year	Ninth Plan			Percentage Number (Lakh)		
	Rural	Urban	State	Rural	Urban	State
1996-97	42.58	35.09	41.16	530.55	110.31	640.86
2000-01	39.90	31.45	38.13	528.51	104.28	632.79
2001-02	37.75	29.36	36.00	507.66	98.85	606.51

18. It would be seen from the aforesaid table that the percentage of poverty in the State would come down to 38.13% in 2000-01 from 41.16% in 1996-97. The reduction in poverty in rural areas would be 39.90% from 42.58%. The corresponding percentage of poverty in urban areas would come down to 31.45 from 35.09 percent. On account of reduction in the incidence of poverty, the number of persons below the poverty line would reduce to 632.79 lakh from 640.86 lakh. Besides, the number of persons below the poverty line in rural areas would come down to 528.51 lakh and that in the urban areas to 104.28 lakh in 2000-01 from 530.55 lakh and 110.31 lakh respectively in 1996-97. In order to realize the intended reduction in poverty, appropriate analyses and their effective implementation is implicitly required. These aspects are dealt with in the succeeding paragraphs.

### Factors Of Poverty

19. The problem of poverty, whether measured by percentage of population below poverty line or depth and intensity of poverty among this population arises largely due to following factors as revealed by a study done by the Perspective Planning Division of the State Planning Institute, U.P.

- Incidence of unemployment or severe under-employment.
- Lower rate of growth of income.

- Inequitous distribution of income and income generating assets.
- A higher rate of growth in population.
- Low productivity.
- Disproportionate dependence of population on agriculture.
- Lower per capita availability of land; and
- Growth in manufacturing sector not adequate enough to divert workers from agriculture on significant scale.

20. The aforesaid factors have been responsible for a higher incidence of poverty in the State also. Some important factors for higher incidence of poverty in the State are mentioned below.

	U.P.	All-India	Punjab	Haryana
<b>Percentage of population below poverty line</b>				
1973-74	57.07	54.88	28.15	35.36
1987-88	41.46	38.88	13.20	16.64
<b>Rate of population growth</b>				
1971-81	2.29	2.25	2.20	2.60
1981-91	2.29	2.14	1.90	2.40
<b>Percentage of cultivators and agricultural labour</b>				
1971	77.38	69.67	62.66	65.30
1991	72.00	64.96	56.10	58.90
<b>Literacy (%)</b>				
Rate 1971	21.70	29.47	23.70	26.90
Rate 1991	41.60	52.21	58.79	55.85
Increase 1971-91	19.90	22.76	35.09	28.95
<b>Rate of growth in food grains (%)</b>				
1971-81	1.1	0.9	5.1	2.9
1981-91	1.8	1.5	5.0	4.6
<b>Percentage of small holdings</b>				
1970-71	66.80	50.60	37.70	27.40
1990-91	73.80	59.10	26.50	40.60

21. The above details amply demonstrate that low literacy rate, higher population growth, excessive dependence on agriculture coupled with a very high percentage of small holdings and growth rate of food production being lower than that of population are the potent factors which have led to a high incidence of poverty in the State while these very factors being favourable in the neighbouring states of Punjab & Haryana, the incidence of poverty in these states has come down to more than half in 1987-88 what it was

in 1973-74. Therefore, these factors have to be carefully and suitably dealt with in order to have any meaningful dent on poverty alleviation.

## **Part-II: Unemployment**

22. The problems of unemployment and poverty are interlinked and should not be seen in isolation of each other. Poverty flows from unemployment or severe underemployment. It is for this reason that these two problems have been taken together.

### **Trends In Population And Employment Growth**

23. The population census of 1971, 1981 and 1991 of the State recorded 883 lakh, 1109 lakh and 1391 lakh persons. The decennial increases during 1971-81 and 1981-91 were thus, 25.49 per cent and 25.48 per cent respectively against 25.00 per cent and 23.56 per cent in the country as a whole. The share of the state in the country's total population moved up from 16.1 per cent in 1971 to 16.2 per cent in 1981 and still higher to 16.5 per cent in 1991.

24. The total number of main workers in the State was 323.97 lakhs in 1981, which rose to 413.61 lakhs in 1991. Thus, during this decade, the annual growth rate of main workers was found to be about 2.47 per cent and there was an average increase of 9 lakh workers per year. It is also noted that the work participation rate of main workers in the State was 29.7 as against 34.1 in the country as a whole in 1991.

25. In case of female workers, a higher growth, viz., 91.04 per cent was recorded during 1981-91. And for males, it was 23.20 per cent only. For this reason, the share of female workers (main plus marginal) in the population moved up from 8.1 per cent to 12.3 per cent during the decade. This increase in W.P.R. was due to the definitional changes. However, the W.P.R. in males declined from 50.8 to 49.8.

26. The inter-state comparison of Work Participation Rate of main workers shows that U.P. stood at the 21<sup>st</sup> place. The main reason for low W.P.R. in the State is the low participation of females in economic activities, as only 12.3 per cent females were categorised as workers (main plus marginal) against 22.1 per cent at the national level. And in case of males, the W.P.R., in the State was 49.8 per cent against 51.2 per cent at the national level. It is, therefore, necessary to create an environment to increase employability of females in the State.

27. The distribution of workers by broad categories indicated that the agriculture sector still occupies a dominant position in the economy (Annexure-3). The growth in employment by industrial classification during the period of 1981-91 shows maximum growth (5.76 per cent) in mining and quarrying sectors. Next to these are Trade and Commerce which recorded 5.68 per cent growth followed by Plantation/Forestry, Construction, Other Services and Agricultural Labour with 5.28 per cent, 4.45 per cent, 4.42 per cent and 4.25 per cent respectively.



## Share In The Economy

28. The percentage of population dependent on the agriculture sector declined marginally from about 74.50 per cent in 1981 to 72.21 per cent in 1991, the proportion of Agricultural Income (at current prices) to the total State Income declined sharply from 52.3 per cent in 1980-81 to 42.7 per cent in 1990-91. It indicates the presence of surplus labour and disguised employment in the agriculture sector. Simultaneously, it is also observed that the share of workers in manufacturing sector reduced from 9.02 per cent in 1981 to 7.75 per cent in 1991. However, the share of income increased from 15.3 to 19.9 per cent during the same period. In contrast, the employment in tertiary sector increased from 15.87 to 19.24 per cent. Increase in employment was accompanied by increase in the share of its income, which rose from 32.4 per cent to 37.4 per cent during the corresponding period.

## National Sample Survey

29. A higher dependency of workers on agriculture and allied sectors is also brought forth by the results of 32<sup>nd</sup>, 43<sup>rd</sup> and 50<sup>th</sup> rounds of N.S.S. The share of workers in agriculture was about 70 per cent in 1987-88 and 68.90 per cent in 1993-94. However, the share of manufacturing sector employment shows a declining trend in the State. This share declined from 9.5 per cent in 1987-88 to 9.3 per cent in 1993-94. In contrast, the share of workers in tertiary sector rose from 20.5 per cent in 1987-88 to 21.3 per cent in 1993-94. The total number of persons usually employed (principal plus subsidiary) in the State was 537 lakhs in 1993-94 as against 461 lakhs in 1987-88 recording an average annual growth of 2.57 per cent (Annexure 4).

30. Further, results available from 43<sup>rd</sup> and 50<sup>th</sup> rounds of N.S.S. also provide the number of workers engaged in self-employment enterprises, regular employment and casual employment in the agriculture and non-agriculture sectors. The table given below indicates that the share of workers engaged in self-employment has decreased by 0.21 per cent while there has been a decline of 0.98 per cent in share of regular workers.

TABLE

### Percentage Distribution Of Workers By Category Of Employment

Category	1987-88	1993-94
	43 <sup>rd</sup> round	50 <sup>th</sup> round
Self employed	71.80	71.59
Regular employed	9.76	8.78
Casual employed	18.44	19.63
Total	100.00	100.00

## Organised Sector Employment

31. The total workers in Organised sector were 25.72 lakhs in 1985, which rose to the level of 26.55 lakhs in 1995, and again in 1999, it declined to the level of 25.94 lakhs. The annual decline during the

period of 1995-99 was 0.58 per cent. A comparison of employment in Organised sector in 1999 with the total employment in the State, according to the industrial classification, reveals that about 95 per cent of the total workers are still engaged in the unorganised sector.

### **Unemployment: Size And Trend**

32. One of the important sources for ascertaining unemployment situation is the Live Register of Employment exchanges. In 1981, only 15.06 lakhs job seekers were on the live register, which grew to 31.19 lakhs in 1990. In 1999, it came to a level of 25.82 lakhs. The reason for decline in new registrants is due to lesser job opportunities in the organised sector.

33. The results thrown by the National Sample Survey also provide data on unemployment on the basis of concepts. The latest data regarding the State wise unemployment is available in the 50<sup>th</sup> round of N.S.S. (1993-94). This round shows that the rate of unemployment in this State is very low as compared to other States (Annexure-5).

### **Labour Force: Size And Composition**

34. Labour force directly depends on the size of population. According to 1991 census, the total population of the State was 1391 lakh. The growth in State's population during 1971-81 was, thus, higher than the country but the margin was much higher (+1.92) during 1981-91 than 0.49 of the earlier decade (1971-81). This was so because there was practically no deceleration in the growth of the State's population during 1981-91. The estimates of population and labour force have been worked out on the basis of a slightly lower growth (2.28) in population against 2.29 per cent of 1981-91. On the basis of assumed lower growth rate, the population in the age group 15-59 works out as shown below.

Population in age group 15-59 years in lakh	
March, 2000	903.15
March, 2001	923.74
Additions	20.59

35. The labour force participation rate according to the 50<sup>th</sup> round is 61.20. The age group 15-59 years has been taken for the estimation of additional labour force during the Annual Plan 2000-2001. The additional labour force during the Annual Plan 2000-2001 is, thus, likely to be about 12 lakh with the annual growth rate of 2.28 per cent.

36. The National Sample Survey also throws light on the unemployment situation. The rates of unemployment for different rounds on the basis of daily status as given below:

<b>Unemployment rate as percentage of labour force</b>	
<b>Rounds</b>	<b>Unemployment rate (15-59)</b>
27 <sup>th</sup> (1972-73)	3.75
32 <sup>nd</sup> (1977-78)	4.33
38 <sup>th</sup> (1983)	4.71
43 <sup>rd</sup> (1987-88)	3.73
50 <sup>th</sup> (1993-94)	3.46

37. The daily status approach has yielded a rate of 3.46 per cent of labour force in the age group of 15-59 years and this rate has been used for estimating backlog of unemployment at the beginning of the Annual Plan 2000-2001 would be around 19 lakh person years.

### **Under-Employment**

38. The economic backwardness, illiteracy and limited mobilities are the main reasons to force the rural people to live below poverty line, though, they are treated to be employed according to the definitions of Census and National Sample Surveys. On the basis of several approaches, it has been found that the number of under-employed would be some where between 60 lakh and 140 lakh. But as a general observation, there is no work for about 100 days in rural areas. Thus, about 27 per cent agricultural workers have practically no work. On this basis, the total under employed in the State would be about 98 lakh. It may be stated here that for all practical purposes there is, in fact, no distinction between unemployed and severely under-employed.

### **Job Requirements During Annual Plan 2000-2001**

39. As estimated earlier, there will be an addition of about 12 lakh person to the labour force during 2000-2001. The backlog of about 19 lakh unemployed person years was available at the beginning of the Annual Plan 2000-2001. Thus, the total job requirements during the Annual Plan would be equivalent to 31 lakh person years. These job requirements, however, do not include the requirement of employment opportunities for 98 lakh severely under-employed persons in agriculture with grossly inadequate income at the beginning of the Plan. In order to provide employment to all those who are unemployed or severely under-employed, the total requirement of employment during 2000-2001 would be about 129 lakh (12+19+98) in order to provide full employment to all by the end of the Annual Plan.

## Employment Generation

40. The likely job generation during Annual Plan 2000-2001 has been worked out on the basis of employment elasticity observed during the past years. The employment elasticity has declined in the past in the State, as may be seen from the following Table:-

**TABLE**  
**Employment Elasticities With Respect To Income Growth In Uttar Pradesh**

Factors	On 80-81 prices		On 93-94 prices
	80-81 to 90-91	95-96 to 97-98	93-94 to 99-2000
Income growth	4.8	4.75	5.60*
Employment growth	2.5	1.9	2.28
Elasticity	0.52	0.40	0.40

\*Expected.

41. Taking into account the above trends in employment elasticity, it is safer to assume that the employment elasticity during Annual Plan would be around 0.40. On this assumption, the likely scenario of employment generation in the State would be as follows:

1-	Likely number of workers at the beginning of 2000	507 lakh
2-	Targeted annual growth in Income during 2000-2001	7.0 per cent
3-	Income Employment elasticity	0.40
4-	Likely employment growth per annum in 2000-2001	2.80
5-	Employment level at the end of 2001	521 lakh
6-	Employment generation in the plan.	14 lakh

42. On the basis of employment elasticity of 0.40 with respect to income, it is estimated that a growth of 7 per cent per annum in State's economy would generate employment opportunities for about 14 lakh persons during the Annual Plan 2000-2001. These employment opportunities thus generated during the year will not be sufficient even to solve the problem of backlog of chronically unemployed (19 lakh) and new entrants in the labour force (12 lakh) making a total of 31 lakh. Besides, the problem of providing gainful employment to about 98 lakh under-employed will still remain unresolved.

## Strategy

43. The aforesaid analysis clearly brings out the conceptual and empirical framework together with significant factors related to the twin problems of poverty and unemployment. Amongst them, a substantial step-up in the growth rate of the economy and sectoral composition of economic growth assumes added significance, in view of the fact, likely to remain true for many years to come - that fostering the development of the rural economy is central to an effective strategy for poverty reduction in the State. Since agricultural growth reduces rural poverty directly and this sector still happens to be the main

determinant of the overall growth of the State's economy, without a higher and more stable agricultural growth, it will be difficult to attain the desired momentum in poverty reduction. However, an important factor which could be responsible for sluggish growth trend, needs reiteration that the State of Uttar Pradesh was not provided adequate funds for its economic development in the past and the trend continues to still prevail. Hence, the following strategy appears as logical and necessary for our efforts towards alleviation of poverty and generation of employment opportunities.

- 1- Certain crucially important variables, viz., (i) gap between overall financial allocation and the size of population, (b) the difference between State's economic and social infrastructures and the national average, (c) the distance from the highest income states, and (e) the gap in the credit-deposit ratio of different states deserve serious consideration for being assigned due weightage in the criteria for judicious allocation of funds to different states under major poverty alleviation programmes so that the state's economy could be brought out from the morass of poverty and backwardness. This is crucial not only for the State alone but also for the overall interest of the national commitment towards removal of regional imbalances.
- 2- In view of the fact that concentration of poverty and unemployment and under-employment is mainly found in the rural areas where main sources of livelihood is agriculture, it is imperatively necessary to adequately strengthen this sector particularly through enhancement of productivity, cropping intensity, irrigation and other inputs including credit facilities to farmers on liberalised terms and conditions. Along with this, a massive thrust has to be on diversification of agriculture from traditional crops to high value crops. Obviously enough, investment in agriculture sector will have to be increased to realise higher agricultural productivity which is one of the key factors in rural poverty reduction.
- 3- Due priority has to be accorded to such economic activities, viz. agriculture & allied activities, rural industries, small and tiny industries, agro-based industries which have relatively lower capital intensity and higher labour-output ratios.
- 4- Effective check on population growth is the foremost requirement in our efforts towards alleviation of poverty and unemployment. In this respect, literacy programmes need to be boosted up.
- 5- Programme for self-employment and supplementary wage employment schemes need to be rationalised to make them effective and target group oriented.
- 6- Any employment programme for a particular sector requires basic skills, skill upgradation & training facilities. There has to be proper integration between education, employment and technological needs. It is in this context that reorientation of various self-employment schemes for skill based training and entrepreneurship development and subsidy linked credit is needed so as to enable the youth to start viable small business. In this background, role of technical institutions need to be redefined.

- 7- The availability of basic services relating to education, health, drinking water, housing, approach roads in the rural areas, nutrition, public distribution system to the poor and disadvantaged section of population has to be ensured with a view to improving their quality of life. This is also one of the main thrusts of the Ninth Five Year Plan. It would, therefore, be necessary to design more effective delivery systems in the rural areas.
- 8- With a view to increasing the female participation in workforce, supportive environment for increasing their literacy through education, credit facilities would have to be created for the self-help groups and the involvement of non-government agencies in the process would have to be sought.

## Annexure-1

## Poverty lines as per the new official methodology

( Rs .monthly per capita )

STATES	RURAL				
	1973-74	1977-78	1983-84	1987-88	1993-94
Andhra Pradesh	41.71	50.88	72.66	91.94	163.02
Arunchal Pradesh	*	*	*	*	*
Assam	49.82	60.29	98.32	127.44	232.05
Bihar	57.68	58.93	97.48	120.36	212.16
Goa	50.47	58.07	88.24	115.61	194.94
Gujarat	47.10	54.70	83.29	115.00	202.11
Harayna	49.95	59.35	88.57	122.90	233.79
Himachal Pradesh*	49.95	59.37	88.57	122.90	233.79
Jammu& Kashmir	46.59	61.53	91.75	124.33	*
Karnatka	47.24	51.95	83.31	104.46	186.63
Kerala	51.68	58.88	99.35	130.61	243.84
Madhya Pradesh	50.20	56.26	83.59	107.00	193.10
Maharashtra	50.47	58.07	88.24	115.61	194.94
Manipur	*	*	*	*	*
Meghalaya	*	*	*	*	*
Mizoram	*	*	*	*	*
Nagaland	*	*	*	*	*
Orissa	46.87	58.89	106.28	121.42	194.03
Punjab	49.95	59.37	88.57	122.90	233.79
Rajasthan	50.96	57.54	80.24	117.52	215.89
Sikkim	*	*	*	*	*
Tamil Nadu	45.09	56.62	96.15	118.23	196.53
Tripura	*	*	*	*	*
Uttar Pradesh	48.92	54.21	83.85	114.57	213.01
West Bengal	54.49	63.34	105.55	129.21	220.74
A&N Island	*	*	*	*	*
Chandigarh	*	*	*	*	*
D&N Haveli	50.47	58.07	88.24	115.61	194.94
Daman & Diu	*	*	*	*	*
Delhi	49.95	59.37	88.57	122.90	233.79
Lakshadweep	*	*	*	*	*
Pondicherry	*	*	*	*	*
ALL INDIA	49.63	56.84	89.50	115.20	205.84

\* In the expert group, poverty ratios for these states have not been calculated separately, but has been adopted from those of other states .The details are as follows:-

- 1- Poverty Ratios of Assam is used for Sikkim, Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
- 2- Poverty ratio of Tamil Nadu is used for Pondicherry and A&N Island.
- 3- Poverty ratio of Kerla is used for Lakshdweep.
- 4- Poverty ratio of Goa is used for Daman & Diu.

- 5- Urban Poverty ratio of Punjab used for both rural and urban poverty of Chandigarh.
- 6- In 1993-94 , poverty ratio of Himachal Pradesh is used for Jammu & Kashmir.
- 7- Since poverty ratio is estimated from the consumption expenditure distribution and the poverty line, it is preferable that the poverty lines of these states may be equated to that of the state whose poverty ratio is adopted.

# The poverty line (implicit) at all-India level is worked out from the expenditure of class wise distribution of persons and the poverty ratio at the all-India level. The poverty ratio at all-India level is obtained as the weighted average of the State wise poverty ratio.



**Annexure-1**

**Poverty lines as per the new official methodology  
(Rs. monthly per capita )**

States	Urban				
	1973-74	1977-78	1983-84	1987-88	1993-94
Andhra Pradesh	53.96	69.05	106.43	151.88	278.14
Arunachal Pradesh	*	*	*	*	*
Assam	50.26	61.38	97.51	126.70	212.42
Bihar	61.27	67.27	111.80	150.25	238.49
Goa	59.48	73.99	126.47	189.17	328.56
Gujarat	62.17	72.39	123.22	173.18	297.22
Harayna	52.42	66.94	103.48	113.22	258.23
Himanchal Pradesh	51.93	66.32	102.26	144.10	253.61
Jammu & Kashmir	37.17	55.41	99.62	148.38	*
Karnataka	58.22	68.85	120.19	171.18	302.89
Kerla	62.78	67.05	122.64	163.29	280.54
Madhya Pradesh	63.02	74.40	122.82	178.35	317.16
Maharashtra	59.48	73.99	126.47	189.17	328.56
Manipur	*	*	*	*	*
Meghalaya	*	*	*	*	*
Mizoram	*	*	*	*	*
Nagaland	*	*	*	*	*
Orissa	59.34	72.41	124.81	165.40	8.22
.Punjab	51.93	65.70	101.03	144.98	253.61
Rajasthan	59.99	72.00	113.55	165.38	280.85
Sikkim	*	*	*	*	*
Tamil Nadu	51.54	67.02	120.30	165.82	296.63
Tripura	*	*	*	*	*
Uttar Pradesh	57.37	69.66	110.23	154.15	258.65
West Bengal	54.81	67.50	105.91	149.96	247.53
Andaman & Nicobar	*	*	*	*	*
Chandigarh	*	*	*	*	*
D& N Haveli	59.48	73.99	126.47	189.17	328.56
Daman & Diu	*	*	*	*	*
Delhi	67.95	80.17	123.29	176.91	309.48
Lakshadweep	*	*	*	*	*
Pondicherry	*	*	*	*	*
ALL-INDIA	56.76	70.33	115.65	162.16	281.35

\* In the expert group poverty ratios for these states have not been calculated separately ,but has been adopted from those of other states .The details are as follows:-

- 1- Poverty Ratios of Assam is used for Sikkim, Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
- 2- Poverty ratio of Tamil Nadu is used for Pondicherry and A&N Island.
- 3- Poverty ratio of Kerla is used for Lakshdweep.
- 4- Poverty ratio of Goa is used for Daman & Diu.

- 5- Urban Poverty ratio of Punjab used for both rural and urban poverty of Chandigarh.
- 6- In 1993-94 , poverty ratio of Himachal Pradesh is used for Jammu & Kashmir.
- 7- Since poverty ratio is estimated from the consumption expenditure distribution and the poverty line, it is preferable that the poverty lines of these states may be equated to that of the state whose poverty ratio is adopted.

# The poverty line (implicit) at all-India level is worked out from the expenditure class wise distribution of persons and the poverty ratio at all- India level. The poverty ratio at all-India level is obtained as the weighted average of the state wise poverty ratio.

**Annexure-2**

**Number and Percentage of population below poverty line by States –1973-74 (Modified Expert Group)**

STATES	RURAL		URBAN		COMBINED	
	No. of persons LAKHS	%of persons	Noof persons LAKHS	%of persons	No.of persons LAKHS	%of persons
Andhra Pradesh	178.21	48.41	47.48	50.81	225.89	48.86
Arunchal Pradesh	2.57	52.67	0.09	36.92	2.66	51.93
Assam	78.37	52.67	5.46	36.92	81.83	51.21
Bihar	336.82	62.99	34.05	52.96	370.57	81.91
Goa	3.16	46.85	1.00	37.69	4.16	44.26
Gujarat	94.61	46.35	43.81	52.57	138.42	48.15
Harayna	30.08	34.23	8.24	40.18	38.32	35.36
Himachal Pradesh	9.38	27.42	0.35	13.17	9.73	28.39
Jammu & Kashmir	18.41	45.51	2.07	21.32	20.48	40.83
Karnatka	128.40	55.14	42.27	52.53	170.67	54.47
Kerla	111.36	59.19	24.16	62.74	135.52	59.79
Madhya Pradesh	231.21	62.66	45.09	57.65	278.30	61.78
Maharashtra	210.84	57.71	76.58	43.87	287.42	53.24
Manipur	5.11	52.67	0.75	36.92	5.86	41.96
Meghalaya	4.88	52.67	0.84	36.92	5.52	50.20
Mizoram	1.62	52.67	0.20	36.92	1.82	50.32
Nagaland	2.65	52.67	0.25	36.92	2.90	50.81
Orissa	142.24	67.28	12.23	55.62	154.47	66.19
Punjab	30.47	28.21	10.02	27.96	40.49	28.15
Rajasthan	101.41	44.76	27.10	52.13	128.51	46.14
Sikkim	1.09	52.67	0.10	26.92	1.19	50.86
Tamil Nadu	172.6	57.43	66.92	49.40	239.52	54.94
Tripura	7.88	52.67	0.66	36.92	8.54	51.00
Uttar Pradesh	449.49	56.53	85.74	60.09	535.73	57.07
West Bengal	257.96	73.16	41.34	34.67	299.30	63.43
A&N Island	0.59	57.43	0.15	49.40	0.74	55.56
Chandigarh	0.07	27.96	0.77	27.96	0.84	27.96
D&N Haveli	0.37	46.85	0.01	37.69	0.38	46.55
Delhi	1.06	24.44	21.78	52.23	22.84	49.61
Lakshadweep	0.18	59.19	0.03	62.74	0.21	59.68
Pondicherry	1.61	57.43	1.13	48.40	2.74	53.82
ALL INDIA	2612.90	56.44	600.46	49.01	3213.36	54.88

- 1- Poverty ratio of Assam is used for Sikkim, Arunchal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
- 2- Poverty ratio of Tamil Nadu is used for Pondicherry and A&N Island.
- 3- Poverty ratio of Kerala is used for Lakshadweep.
- 4- Poverty ratio of Goa is used for D&N Haveli.
- 5- Urban poverty ratio of Punjab is used for both rural and urban poverty of Chandigarh.
- 6- Poverty line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa.

**ANNEXURE-2**

**Number and Percentage of population below poverty line by State77-78**

**(Modified Expert Group)**

STATES	RURAL		URBAN		COMBIN-ED	
	No.of persons (LAKHS)	%of persons	No.of persons (LAKHS)	%of persons	No.of persons - (Lakhs)	%of persons
Andhra Pradesh	149.13	38.11	48.41	43.55	197.54	39.31
Arunchal Pradesh	3.26	59.82	0.10	32.71	3.36	58.32
Assam	97.55	59.82	5.83	32.71	103.36	57.15
Bihar	364.48	63.25	37.34	48.76	401.82	16.55
Goa	2.72	37.64	1.16	38.31	3.88	37.23
Gujarat	32.53	41.76	38.35	40.02	130.88	41.23
Harayna	26.43	27.73	9.05	38.57	35.46	29.55
Himachal Pradesh	12.46	33.49	0.58	19.44	13.04	32.45
Jammu & Kashmir	19.04	42.86	2.68	23.71	21.72	38.97
Karnatka	120.39	48.18	47.78	50.36	168.17	48.78
Kerla	102.85	51.48	24.37	55.62	127.22	52.22
Madhya Pradesh	247.98	62.52	54.89	58.66	302.87	61.78
Maharashtra	249.75	63.97	80.16	40.09	329.91	55.88
Manipur	6.09	59.82	0.97	32.71	7.06	53.72
Meghalaya	6.10	59.82	0.69	32.71	6.79	55.19
Mizoram	2.03	59.82	0.28	32.71	2.31	54.38
Nagaland	3.44	59.82	0.30	32.71	3.74	56.04
Orissa	182.50	72.38	13.82	50.92	176.32	70.07
Punjab	18.87	16.37	11.36	27.32	30.23	19.27
Rajasthan	89.66	35.89	27.22	43.53	116.88	37.42
Sikkim	1.41	59.82	0.13	32.71	1.54	55.89
Tamil Nadu	182.50	57.68	72.97	48.69	255.47	54.79
Tripura	9.95	59.82	0.66	32.71	10.61	56.88
Uttar Pradesh	407.41	47.60	96.98	56.23	504.37	49.05
West Bengal	258.69	68.34	50.88	38.20	310.57	60.52
A&N Island	0.71	57.68	0.20	48.69	0.91	55.42
Chandigarh	0.08	27.32	0.95	27.32	1.03	27.32
D&N Haveli	0.33	37.64	0.16	36.31	0.49	37.20
Delhi	1.35	30.19	16.81	33.51	18.16	33.23
Lakshadweep	0.13	15.48	0.07	55.62	0.20	52.798
Pondicherry	1.65	57.68	1.35	48.69	3.00	53.25
ALL INDIA	2642.47	53.07	846.48	45.24	3288.95	51.32

- 1- Poverty ratio of Assam is used for Sikkim, Arunchal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
- 2- Poverty ratio of Tamil Nadu is used for Pondicherry and A&N Island.
- 3- Poverty ratio of Kerala is used for Lakshadweep.
- 4- Poverty ratio of Goa is used for D&N Haveli.
- 5- Urban poverty ratio of Punjab is used for both rural and urban poverty of Chandigarh.
- 6- Poverty line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa.

**Annexure-2**

**Number and Percentage of population below poverty line by States – 1983**

(Modified Expert Group)

STATES	RURAL		URBAN		COMBIN-ED	
	No. of persons (LAKHS)	%of persons	No. of persons (LAKHS)	%of persons	No. of persons - (Lakhs)	%of persons
Andhra Pradesh	114.34	26.53	50.24	36.30	184.58	28.91
Arunchal Pradesh	2.70	42.80	0.12	21.73	2.82	40.88
Assam	73.43	42.80	4.28	21.73	77.09	40.47
Bihar	417.70	84.37	44.35	47.33	462.05	82.22
Goa	1.16	14.81	1.07	27.00	2.23	18.90
Gujarat	72.88	29.80	45.04	39.14	117.92	32.79
Harayna	22.03	20.56	7.57	24.15	29.60	21.37
Himachal Pradesh	7.07	17.00	0.34	9.43	7.41	18.40
Jammu & Kashmir	13.11	26.04	2.49	17.76	15.80	24.24
Karnatka	100.50	36.33	49.31	42.82	149.81	38.24
Kerla	81.82	39.03	25.15	45.68	106.77	40.42
Madhya Pradesh	215.48	48.90	62.49	53.06	277.97	49.78
Maharashtra	193.75	45.23	97.14	40.26	290.89	43.44
Manipur	4.76	42.80	0.89	21.73	5.85	37.02
Meghalaya	5.04	42.80	0.57	21.73	5.82	38.91
Mizoram	1.58	42.80	0.37	21.73	1.96	38.00
Nagaland	3.19	42.80	0.31	21.73	3.50	39.25
Orissa	164.65	67.53	16.66	49.15	181.31	65.29
Punjab	16.79	13.20	11.85	23.79	28.84	18.18
Rajasthan	96.77	33.50	30.06	37.94	126.83	34.46
Sikkim	1.24	42.80	0.10	21.73	1.35	39.71
Tamil Nadu	181.61	53.99	78.46	46.96	280.07	51.88
Tripura	8.35	42.80	0.60	21.73	8.95	40.03
Uttar Pradesh	448.03	46.45	108.71	49.82	556.74	47.07
West Bengal	268.60	83.05	50.08	32.32	318.89	54.85
A&N Island	0.84	53.99	0.20	46.96	1.11	52.13
Chandigarh	0.09	23.79	1.10	23.79	1.19	23.79
D&N Haveli	0.16	14.81	0.02	27.00	0.18	15.67
Delhi	0.44	7.88	17.95	27.89	18.39	28.22
Lakshadweep	0.09	39.03	0.10	45.68	0.19	42.36
Pondicherry	1.56	53.99	1.72	46.96	3.28	50.08
ALL INDIA	2519.57	45.85	709.40	40.79	3228.97	44.48

Note :

- 1- Poverty ratio of Assam is used for Sikkim, Arunchal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
- 2- Poverty ratio of Tamil Nadu is used for Pondicherry and A&N Island.
- 3- Poverty ratio of Kerala is used for Lakshadweep.
- 4- Poverty ratio of Goa is used for D&N Haveli.
- 5- Urban poverty ratio of Punjab is used for both rural and urban poverty of Chandigarh.
- 6- Poverty line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa.

## Annexure-2

## Number and Percentage of population below poverty line by States – 1987-88

(Modified Expert Group)

STATES	RURAL		URBAN		COMBIN-ED	
	No.of persons (LAKHS)	%of persons	No.of persons (LAKHS)	%of persons	No.of persons - (Lakhs)	%of persons
Andhra Pradesh	98.38	20.92	84.05	40.11	180.43	25.96
Arunchal Pradesh	2.75	39.35	0.08	9.94	2.93	36.22
Assam	73.53	39.35	2.22	9.94	75.75	36.21
Bihar	370.23	52.83	50.70	48.73	420.93	52.13
Goa	1.31	17.84	1.65	35.48	2.96	24.52
Gujarat	74.13	28.87	48.22	37.26	122.36	31.54
Harayna	18.88	18.22	8.51	17.99	25.37	16.64
Himachal Pradesh	7.27	18.28	0.25	8.29	7.52	15.45
Jammu & Kashmir	14.11	25.70	2.85	17.47	18.95	23.82
Karnatka	96.81	32.82	81.80	48.42	158.81	37.53
Kerla	81.84	29.10	28.84	40.33	88.48	31.79
Madhya Pradesh	200.02	41.92	94.29	47.09	284.90	43.07
Maharashtra	186.99	40.78	109.38	39.78	298.27	40.41
Manipur	4.83	39.35	0.46	9.94	5.29	31.35
Meghalaya	5.18	39.35	0.80	9.94	5.48	33.92
Mizoram	1.46	39.35	0.25	9.94	1.70	27.52
Nagaland	3.49	39.35	0.18	9.94	3.66	34.43
Orissa	149.98	57.64	15.95	41.63	165.99	55.58
Punjab	17.09	12.80	8.08	14.67	25.17	13.20
Rajasthan	104.97	33.21	37.93	41.92	142.90	35.15
Sikkim	1.31	39.35	0.04	9.94	1.36	36.00
Tamil Nadu	181.80	45.80	69.27	38.84	231.07	43.39
Tripura	8.49	39.35	0.35	9.94	8.94	35.23
Uttar Pradesh	429.74	41.10	108.79	42.96	536.53	41.46
West Bengal	223.37	48.30	80.24	35.08	283.81	44.72
A&N Island	0.83	45.80	0.28	38.84	1.09	43.89
Chandigarh	0.08	14.67	0.78	14.67	0.84	14.87
D&N Haveli	0.79	87.11	-	-	0.79	87.11
Delhi	0.10	1.29	10.15	13.58	10.25	12.41
Lakshadweep	0.07	29.10	0.10	40.33	0.17	34.95
Pondicherry	1.33	45.80	7.72	38.84	8.05	41.48
ALL INDIA	2318.79	39.09	751.89	38.20	3070.49	38.88

Note :

- 1- Poverty ratio of Assam is used for Sikkim, Arunchal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
- 2- Poverty ratio of Tamil Nadu is used for Pondicherry and A&N Island.
- 3- Poverty ratio of Kerala is used for Lakshadweep.
- 4- Urban poverty ratio of Punjab is used for both rural and urban poverty of Chandigarh.
- 5- Poverty line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa.
- 6- Poverty line of Maharashtra and expenditure distribution of D&N Haveli is used to estimate poverty ratio of D&N Haveli.

**Annexure-3**

**Distribution of Workers by industry (Census 1981-91)**

Sl.No.	Sector	Workers (in lakh)		Decadal Increase	Annual Growth Rate during 1981-91
		1981	1991		
	Total workers	323.97	413.61	89.64	2.47
1-	Cultivators	189.58	220.31	30.73	1.51
2-	Agricultural Labourers	51.77	78.33	26.56	4.23
3-	Plantation /Forestry /Fisheries Livestock & hunting	1.77	2.96	1.19	5.28
4-	Mining & Quarrying	0.20	0.35	0.15	5.76
5-	Manufacturing including household industry	29.22	32.06	2.84	0.93
6-	Construction	3.30	5.10	1.80	4.45
7-	Trade & Commerce	14.69	25.51	10.82	5.68
8-	Transport Storage and Communication	6.65	7.71	1.06	1.51
9-	Other Services	26.79	41.28	14.49	4.42

Source: Figures are of the respective censuses.

**Annexure-4**

**DISTRIBUTION OF PERSONS ON THE BASIS OF USUAL STATUS (PS+SS) BY INDUSTRY IN  
UTTAR PRADESH (50<sup>TH</sup> ROUND OF N.S.S.)**

Code	Industry	Number of persons (in lakh)			Compound annual growth rate	
		32 <sup>nd</sup> round 1977-78	43 <sup>rd</sup> round 1987-88	50 <sup>th</sup> round 1993-94	During the decade 1977- 78 to 1987-88	During 1987- 88 to 1993- 94
0	Agriculture	262	322	370	2.08	2.35
1	Mining & quarrying	-	-	1	-	-
2 & 3	Manufacturing	35	44	50	2.32	2.06
4	Electricity Gas & Water Supply	-	1	2	-	12.25
5	Construction	6	11	12	6.25	1.48
6	Wholesale and retail trades, restaurants & hotels	22	31	39	3.50	3.90
7	Transport, Storage and Communication	8	10	13	2.28	4.47
8 & 9	Services	26	42	50	4.92	2.95
	<b>Total</b>	<b>359</b>	<b>461</b>	<b>537</b>	<b>2.54</b>	<b>2.57</b>

Source:

32<sup>nd</sup> Report no. 298-9

43<sup>rd</sup> All India Report No. 1 M Employment and unemployment

50<sup>th</sup> Employment and unemployment in India 1993-94 Report No.409



Annexure-5

Statewise current daily status unemployment rates (50<sup>th</sup> round of N.S.S.)

States	Current daily status	
	Rural	Urban
Andhra Pradesh	6.3	8.0
Assam	7.8	9.4
Bihar	6.0	8.7
Gujarat	5.6	6.0
Haryana	6.6	6.6
Karnataka	4.4	6.3
Kerala	14.7	17.7
Madhya Pradesh	2.6	6.8
Maharashtra	4.3	6.3
Orissa	6.9	9.8
Punjab	2.7	4.1
Rajasthan	1.1	2.4
Tamil Nadu	12.2	9.7
Uttar Pradesh	3.1	4.8
West Bengal	9.1	12.1
All India	5.6	7.4

## CHAPTER - 4

# SOCIAL JUSTICE AND EMPOWERMENT

The scheduled Castes and Scheduled Tribes belong to the poor section of the society. They have for historical reasons, remained socially and economically backward for a long period and hence deprived from the basic amenities which are deemed to be essential for civilised living. In view of it, "Growth with social Justice" has been made an avowed objective of planning process ever since its inception. Constitutional provisions have been made for the promotion and protection of their interest. Directive Principles of the State Policy under Article-46 of the constitution of India also lays emphasis upon their welfare, which reads as follows:

'The State shall promote with special care the educational and economic interests of the weaker sections of the people, and, in particular, of the Scheduled Castes and the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation'

2. In view of the above principle, during first four Five Year Plans, welfare programmes were drawn-up and implemented for improving the educational and economic status of the Scheduled Castes and Scheduled Tribes. During Fifth Five Year Plan, however, it was realised that the strategy for the development of this vulnerable section of the society should be based on comprehensive economic and human resources development efforts so that they could acquire the ability to achieve the fruits of economic development programmes. For this purpose, the approach of Tribal Sub-plan (TSP) was introduced in the Fifth Five Year Plan (1974-79) for the accelerated development of Scheduled Tribes. Similarly, from the Sixth Five Year Plan (1980-85) for speedier development of Scheduled Castes, the approach of Special Component Plan (SCP) was introduced in the Planning Process. Since then, concerted efforts are being made to ameliorate the condition of Scheduled Castes and Scheduled Tribes. The details are described in the successive paragraphs:

### SPECIAL COMPONENT PLAN

3. The approach of Special Component Plan (SCP) for development of Scheduled Castes was adopted in the Sixth Five Year Plan (1980-85) and the efforts, were resulted in earmarked allocations under SCP. Accordingly, programmes for the development of Scheduled Castes were undertaken in various sectors of the economy and further emphasis was laid upon the enhancement of welfare of this class. For this purpose, family and individual beneficiary oriented development schemes within the general framework of the socio-economic development programmes were specially designed with the following concepts:

1. The development departments would earmark amount from their allocated outlay by way of quantification under the Special Component Plan.

2. Only those schemes would be taken under SCP which ensure direct benefits to individuals or families belonging to Scheduled Castes.
3. Outlay for area oriented schemes directly benefiting Scheduled Castes bastis/villages, having majority of Scheduled Castes population, would be allocated under SCP.
4. Priority should be given for providing Basic Minimum Services like, Primary Education, Health, Drinking water, Rural Housing, Rural roads, Rural electrification and Nutrition.

4. Under the above guidelines, during the Seventh Five Year Plan, the schemes for the welfare and development of Scheduled Castes were implemented under the SCP. The flow of funds under the SCP was substantially increased for the accelerated development of this class. State Scheduled Castes Finance and Development Corporation was setup to act as a catalytic agent in implementing development schemes for employment generation and financing pilot projects. During the Eighth Five Year Plan, emphasis was laid on narrowing down the gap in the levels of the development of the Scheduled Castes as compared to the other sections of the population in all the spheres of development. Priority was given to elimination of exploitation and the removal of all forms of oppression. In order to provide further impetus to approach of SCP, from the last year (1996-97) of the Eighth Five Year Plan, the allocation of outlay under SCP was started in proportion of Scheduled Caste population to the total population. The socio-economic status of the Scheduled Castes which, emerged as a result of above efforts is described briefly in the following paragraphs. .

## Social Status

5. **Population** : There are 66 Scheduled Castes in Uttar Pradesh and this State has the largest population of Scheduled Castes in the country. The proportion of total state's population to country's population is 16.4 percent whereas this proportion is 21.18 percent for Scheduled Castes population. According to 1991 census, the total population of the state is 1391.12 lakh out of which 292.76 lakh (21.04%) are Scheduled Castes. Majority of Scheduled Castes(88%) resides in rural areas whereas 12% reside in urban areas. The number of Scheduled Caste female per thousand of Scheduled Caste male is 897. However, the trend in growth of Scheduled Castes population vis-à-vis total population of the State is given in the following table :

**Table-1**

(Population in lakh)

Year	Total Population	Scheduled Castes Population	Scheduled Castes Population as %age of Total Population	Decennial Growth	
				Total	Scheduled Castes
1971	883.41	185.49	21.00	1.82	1.88
1981	1108.62	234.53	21.16	2.30	2.37
1991	1391.12	292.76	21.04	2.29	2.24

6. It is clear from the above table that decadal growth in Scheduled Castes population from 1981 to 1991 was 2.24 percent which was a little less than the corresponding growth of 2.29 percent in total population in the State, which may be taken as a healthy trend.

7. **Literacy :** According to 1991 census, the literacy rate among Scheduled Castes population in Uttar Pradesh was 26.85% as compared to 41.60 percent among total population. However, literacy among Scheduled Caste females was very low which is a cause of great concern. As compared to 25.31% literacy among total female, only 10.69 percent Scheduled Caste females are literate. The literacy situation in U.P. among this category vis-à-vis total population is shown in the following table:

**Table-2**

Year	Total Population			Scheduled Castes Population		
	Male	Female	Total	Male	Female	Total
1971	31.50	10.55	21.70	17.13	2.46	10.20
1981	38.76	14.04	27.16	24.83	3.89	14.96
1991	55.73	25.31	41.60	40.80	10.69	26.85

8. It is obvious from above table that during the period of two decades, the literacy rate of Scheduled Castes increased by 17% approximately whereas the corresponding increase for total population is 20% approximately. Literacy among Scheduled Castes female increased 5 times from 1971 to 1991. The latest estimate prepared by education department indicates that there is significant increase (44%) in the enrollment of female child of Scheduled Castes but still concerted efforts are needed in this direction.

## ECONOMIC STATUS

9. **Land Holdings :** As mentioned earlier, bulk of scheduled castes population live in rural area which is characterised as an agrarian economy. The size of the land holding, occupational classification and number of main workers and its pattern are important parameters to judge the rural economy. A brief sketch of these parameters are given below:

**Table-3**

### Operational Holdings of Scheduled Castes in Uttar Pradesh

(Area in '000 ha.)

Year	Total Population		General Population		Scheduled Caste Population	
	Number	Area	Number	Area	Number	Area
<b>1980-81</b>						
(a) Total Holdings	17816 (100.00)	17971 (100.00)	15157 (85.07)	16260 (90.48)	2631 (14.77)	1661 (9.24)
(b) Marginal Holdings	12572 (100.00)	4614 (100.00)	10410 (82.80)	3903 (84.59)	2147 (17.08)	706 (15.30)
<b>1990-91</b>						
(a) Total Holdings	20074 (100.00)	17986 (100.00)	16753 (83.46)	16044 (89.20)	3289 (16.38)	1885 (10.48)
(b) Marginal Holdings	14819 (100.00)	5654 (100.00)	12031 (81.19)	4717 (83.43)	2771 (18.70)	931 (16.47)

10. The above table reveals that the share of scheduled castes holdings in total holdings of the State in 1991 was 16% whereas in area, it accounts for only 10%. Though the share of Scheduled Castes in area as well as in number of holdings is increased slightly in 1990-91 from the level of 1980-81 but the achieved share is not encouraging.

11. **Occupational Classification of main workers** : The total Scheduled Caste main workers in the State according to 1991 census, are 94.85 lakh which is about 23 % of the total main workers

12. in the State. The occupational classification of Scheduled Caste workers in Primary, Secondary and Tertiary Sectors is given in the following table:

**Table-4**  
**Percentage of Scheduled Caste's main workers (1991 census)**

Sectors	Total Workers	Scheduled Caste Workers	General Workers
Primary	73.01	82.26	70.25
Secondary	8.98	7.55	9.41
Tertiary	18.01	10.19	20.34
<b>All Sectors</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

13. The above table reveals that as compared to general and total workers, workers relating to Scheduled Castes are most dependent on agriculture. However, the size of main workers sustains the socio-economic structure of any class. The trend with regard to the number of workers in percentage to total population is given in the following table:

**Table-5**  
(Percentage)

Year	Total Workers	Scheduled Castes Workers	General Workers
1971	30.94	33.76	30.28
1981	31.75	33.67	31.20
1991	32.30	35.29	31.44

14. From the above table, it emerges that the increase in Scheduled Caste workers in percentage term is somewhat higher as compared to other workers of society and they are mostly engaged in low income

generating activities as wage earners in agriculture which can be further seen in the following table.

**Table-6**  
**Occupational Pattern**

(workers in lakh)

Category	Total Workers	Scheduled Caste Workers	General Workers
1. Cultivators	220.31 (53.26)	40.44 (42.63)	179.15 (56.39)
2. Agricultural Labourers	78.33 (18.94)	36.77 (38.77)	41.43 (13.04)
3. Non-agricultural Labourers	114.96 (27.80)	17.64 (18.60)	97.14 (30.57)
4. Total Main Workers	413.60 (100.00)	94.85 (100.00)	317.72 (100.00)

Note : Figures in brackets denote percentage.

15. The scenario that emerges from the above fact relating to socio-economic status of scheduled castes is indicative of the fact that though significant improvement has been achieved during the past period but still concerted efforts are needed to achieve the objective of SCP. The details of financial allocations under SCP over the various plan periods are shown in the following paragraphs:

#### State Plan outlay and expenditure

16. The details of financial progress upto 1999-2000 under the SCP alongwith proposed outlays for 2000-2001 are given in the following table:

**Table-7**  
**The Allocation Under Special Component Plan and Expenditure**

S.No.	Plan Period	State Plan		SCP		(Rs. in Crores) % age	
		Outlay	Expenditure	Allocation	Expenditure	Col. (5-3)	Col.(6-4)
1	2	3	4	5	6	7	8
1.	Sixth Five Year Plan (1980-85)	6200.00	6594.29	570.00	525.35	9.19	7.97
2.	Seventh Five Year Plan (1985-90)	11000.00	11948.72	1458.11	1239.98	13.26	10.38
3.	Eighth Five Year Plan (1992-97)	22005.00	21667.02	1923.94	5128.29	8.74	23.67
4.	Ninth Five Year Plan (1997-2002)	46340.00	----	8793.21	----	18.98	----
i.	(1997-98)	7163.34	5666.70	1448.84	1062.06	20.23	18.74
ii.	(1998-99)	10260.96	6363.94	2156.15	1354.78	21.01	21.29
iii.	1999-2000	11400.00	6568.87	2394.00	1261.34	21.00	19.20
iv.	2000-2001 (Proposed)	9025.00	---	1895.00	...	21.00	

## Special Central Assistance for SCP

17. In addition to the state plan outlay as mentioned above, the Special Central Assistance (SCA) is also provided for the development of Scheduled Castes. With the objective of bringing the Scheduled Castes families above the poverty line by ensuring their overall economic development, the SCA is being used by the state Government in a number of income generating programmes which include schemes of self-employment, allotment of shops, free boring and vocational training programme, etc. The position of utilisation of SCA upto 1999-2000 is given in the table below:-

**Table-8**  
**Utilisation of Special Central Assistance Under SCP**  
(Rs. In Cr.)

S.No.	Plan Period	Special Central Assistance			
		Amount Sanctioned	Amount Utilized	%age	No. of beneficiaries
1.	Sixth Five Year Plan (1980-85)	140.32	137.52	98.00	356718
2.	Seventh Five Year Plan (1985-90)	189.01	176.50	93.38	310574
3.	Annual Plan (1990-91)	44.26	49.49	111.82	79053
4.	Annual Plan (1991-92)	48.44	51.78	106.90	97766
5.	Eighth Five Year Plan (1992-97)	309.27	311.88	100.84	479433
6.	Ninth Five Year Plan (1997-2002)	707.19	---	---	---
7.	1997-98	76.47	55.72	72.87	98057
8.	1998-99	75.18	76.22	100.11	108598
9.	1999-2000	97.29	45.80	47.08	85692
10.	2000-2001 ( Proposed)	87.46			96213

18. The facts embodied in preceding paragraphs amply reflect the vigorous efforts made by the State as well as central Government to improve the socio-economic status of Scheduled Castes in the State by

allocating adequate financial resources. Significant achievements have been made during the past but still a lot needs to be done. Accordingly, the objectives during Ninth Five Year Plan (1997-2002) and Annual Plan (2000-2001) under the SCP set for their further development, are as follows;

- Substantial reduction in poverty and unemployment,
- Creation of productive assets of in favour of Scheduled Castes to sustain the growth likely to accrue through development efforts,
- Diversification of the economy to have an optimal mix of development by providing adequate opportunities almost in all the sectors of the economy,
- Human resource development by providing adequate educational and health services, and
- Provision of physical and financial security against all types of exploitation and oppression,

### **Strategy for Development during Ninth Plan and Annual Plan (2000-2001)**

19. In order to achieve the objectives as enunciated for the Ninth Fifth Year Plan, the foremost task is to ensure sufficient allocation of outlay (in proportion to SC population) under SCP for different sectors of economy. In view of this, the total State Plan outlay for the Ninth Five Year Plan has been proposed as Rs. 46340.00 Crore, out of which Rs. 8793.21 Crore is allocated under SCP. An outlay of Rs. 1895 Crore has been allocated under the SCP in the year 2000-2001 out of total state plan outlay of Rs. 9025 Crores. The strategy for development of Scheduled Castes would be ensured on the following lines:-

1. Formulation of suitable guide lines for district and state sector's schemes from time to time for their proper implementation to achieve the desired goals.
2. Proper monitoring and evaluation of the schemes under SCP from time to time for getting the feed back for applying corrective measures in the schemes to optimise their performance.
3. In order to bring about the required diversification in economy, priority would be given to develop agriculture based allied activities like animal husbandry, dairy, forestry, cooperation and farm mechanisation. Attempts would also be made to reduce the pressure on land by transferring atleast 20% of the labour force engaged in agriculture sector to secondary and tertiary sectors.
4. In secondary sectors, priority would be assigned to develop Khadi and Village Industries, Sericulture, Handloom and Small Scale Industries because these are labour intensive industries requiring comparatively lesser amount of capital than other means of production. For this purpose entrepreneurial development measures would also be adopted.
5. Within tertiary sector, the most important are Basic Minimum Services, like education, health, housing, drinking water etc. Adequate funds will be allotted for these services in various welfare schemes. In addition to it, attempt would also be made to develop banking, trading, export and other marketing facilities in favour of these classes.



## **New System For The Special Component Plan**

20. In the year 1998-99, state government brought about significant policy changes for the implementation of Special Component Plan. Under the new regime, the planning department will allocate outlays under the SCP by consultation with various departments in proportion to Scheduled Castes population in the state under various schemes within the frame work of integrated planing. The task of monitoring of expenditure and proper utilisation of the quantified budget allocations under the SCP rests with the Social Welfare Department. With a view to ensure proper coordination , a committee has also been setup in the government, comprising, Principal Secretaries of Finance, Social Welfare and Planning. In the continuation of the process, following modus-operandi is also decided by the State Government:

1. The quantification of outlay under SCP/TSP will be 50% from district sector and 10 to 15% from state sector, so as to ensure the quantification in proportion of SC/ST population.
2. Social Welfare Department will work as nodal department, and in consultation with the concerned administrative department and Planning Department, the sector-wise/scheme-wise allocation of outlay will be finalised by Social Welfare Department against the overall quantified outlay. The compiled SCP/TSP plan will be made available to Planning Department for incorporation in the State Plan.
3. The quantification of outlay in district plans will be done at the district level. Therefore, proper guidelines will have to be formulated and supplied to the districts in the beginning.
4. The development departments will have no right to alter the quantified outlay. If amendment is deemed to be essential, the concerned department will have to take the approval of Social Welfare Department.
5. In accordance with the quantified outlay under SCP/TSP, budget provisions will be ensured in each grant/budget heads under sub-head:02.

## **TRIBAL SUB-PLAN**

21. The Tribal people of Uttar Pradesh are among the nascent tribal groups joining the main stream of planned development, to which they have brought a distinct and colourful cultural variety. Many of these tribes live in strategically important border areas which make their position sensitive as regards the security of the country. Their economy is closely linked with the forests and they live a sub standard life because of their primitive mode of livelihood. Majority of them are placed below the poverty line, possessing meagre assets and are exclusively dependent on wages, forest produce and agriculture. Therefore, there is an urgent need to uplift them from their present level of subsistence living. The socio-economic profile of the Scheduled Tribes in U.P. is described in the following paragraphs:

## Social status

22. **Population :** Total population of Scheduled Tribes in the State was 1.99 lakh in 1971 which increased to 2.33 lakh in 1981 and further to 2.88 lakh in 1991. The compound annual rate of growth in their population was 1.6 percent during 1971-81 which increased 2.1 percent during 1981-91. These rates of growth are lower than the rates of growth of general population as well as Scheduled Caste population. As per 1991 census, 2.71 lakh (94.1 percent) of total Scheduled Tribes population, reside in rural areas whereas 0.17 lakh (5.9 percent) reside in urban areas. The number of Scheduled Tribe females per thousand of Scheduled Tribe males is 910, which is far above the number of Scheduled Castes and general females per thousand of respective males. Out of total tribe population in the State, 2.10 lakh (73 percent) reside in Hill areas and remaining 0.78 lakh (27 percent) in the total belt of plains. The tribal concentration in Uttar Pradesh is found on the peaks and sloppy mountains of the Himalayas and the Terai and Bhawar belt in the foot hills of Himalayas. They mostly found in seven hills districts viz. Udham Singh Nagar, Dehradun, Pithoragarh, Chamoli, Almora, Uttar Kashi, Garhwal and seven plains districts viz. Kheri, Balrampur, Sravasti, Bahraich, Mahrajganj, Haridwar and Bijnor. Details are given below:-

**Table-9**

(Population in lakh)

Year	Total Population	Scheduled Tribes Population	Scheduled Tribes Population as %age of Total Population	Decennial Growth	
				Total	Scheduled Tribes
1971	883.41	1.99	0.23	1.82	N.A.
1981	1108.62	2.33	0.21	2.30	1.60
1991	1391.12	2.88	0.21	2.29	2.10

23. The major tribes found in Uttar Pradesh are **Tharu, Buxa, Bhotia, Jaunsari and Raji**. Among these tribes, **Bhotia, Jaunsari and Raji** are mainly found in hill areas whereas **Buxa and Tharu** are found in hill as well as in plain areas. The total Scheduled Tribe population in Uttar Pradesh is 2,87,901; which includes Tharu – 118558, Buxa – 42027, Bhotia – 23410, Jaunsari – 64948, Raji – 494 and Others – 38464.

### **The salient features of various Tribes are given in the following paragraphs**

24. **Tharu :** Tharus live in the Terai-Bhawar zone in the northern portion of almost all the district falling in this tract. They are mainly found in Bahraich, Sravasti, Balrampur, Kheri, Mahrajganj and Udham Singh Nagar. Their total population is 1.19 lakh. They are basically agriculturists. Sincere and committed efforts of the State Government have slowly induced this tribe towards the mechanised way of farming to a considerable extent. The women, being earning member of the family, occupy an important position and play a vital role in Tharus. The eldest female member invariably happens to be the head of the household. Joint family system is common among the Tharu families. Tharus have strong traditional Panchayat organisation to settle their disputes and to ensure adherence to their common code of conduct.

They are non-vegetarians and consume liquor. They believe that liquor provides them partial immunity from malaria.

25. **Buxa :** The Buxas are from Mongoloid stock and claim Rajput origin. In habits and customs, they closely resemble the Tharu. They are supposed to be original inhabitants of Terai belt. They are found in the Terai and Bhawar areas of Sub-Himalayan range of the State. Buxas are the followers of lord Rama and Krishna and worship Hindu Gods and Goddesses. Educationally and economically, they are more backward than the Tharu. Agriculture is their main occupation.

26. **Jaunsari :** The term Jaunsari represents a number of tribal groups inhabiting Jaunsari area of Dehradun district namely the Khasas, artisan classes, Koltas and Bajgis. The Khasas comprise the Brahmins and the Rajputs. They constitute the privileged class while others are expected to serve them. Lowest among the class structure are the Koltas and their condition is extremely poor. The Khasa families treat them under their bondage; Khasas are traditional land owners while Koltas and Bajgis (artisans) have no independent existence of their own.

27. **Bhotia :** They are mainly found in districts of Almora, Chamoli, Pithoragarh and Uttar Kashi. Bhotias are also Mongoloids . They speak their own traditional dialects originating from the Tibetan branch of the Himalayan group of the Tibet-Burma family. Before 1962, they depended on the trade with Tibet, but now they have been able to find market for their crafts and merchandise in the state and elsewhere in the country.

28. **Raji :** Rajis, found in Pithoragarh are recognised as a primitive tribe. The Raji, is a numerically small and little known community. They are locally known as Banrawats. They are socially, educationally and economically most backward. They constitute the weakest section and remain almost aloof from the main stream of civilization. In past, they were mainly dependent on forest produce but now they are taking benefits from developmental programme of the Government.

29. **Literacy :** According to 1991 census, the literacy rate of Scheduled Tribes population in Uttar Pradesh is 35.70 percent as compared to 41.60 percent of total population. Literacy among Scheduled Tribes is more than that of Scheduled Castes. The literacy of Scheduled Tribes males is 49.59 percent whereas 19.96 percent females are literate. The literacy trend is incorporated in the following table.

**Table-10**  
**Literacy of Scheduled Tribe population**

( Percentage )

Year	Total Population			Scheduled Tribes Population		
	Male	Female	Total	Male	Female	Total
1971	31.50	10.55	21.70	22.51	5.58	14.59
1981	38.76	14.04	27.16	31.22	8.69	20.45
1991	55.73	25.31	41.60	49.95	19.86	35.70

## Economic Status

30. **Occupational Status :** The Total Scheduled Tribes main workers in the state were 0.86 lakh in 1981, which increased to 1.03 lakh in 1991 registering a compound annual growth rate of 1.9 percent according to 1991 census,. the occupational classification of Scheduled Tribes workers in primary, secondary and tertiary sectors is given below:

**Table-11**  
**Percentage of Scheduled Tribes main workers in various sectors**

Sectors	Total Workers	Scheduled Tribe Workers	(Percentage)
			General Workers
Primary	73.01	84.36	70.25
Secondary	8.98	6.41	9.41
Tertiary	18.01	9.23	20.34
<b>All Sectors</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

31. The above table reveals that as compared to general and total workers, workers relating to Scheduled Tribes are most dependent on agriculture. The trend of number of workers in percentage to total population is given below:

**Table-12**

Year	Total Workers	Scheduled Tribe Workers	(Percentage)
			General Workers
1971	30.94	---	30.28
1981	31.75	---	31.20
1991	32.30	43.42	31.44

32. Occupational Categorywise Classification of Scheduled Tribes as per 1991 Census is given below:

**Table-13**  
**Workers : Occupational Pattern**

( Numbers in lakh)

Category	Total Workers	Scheduled Tribe Workers	General Workers
1. Cultivators	220.31	0.72	179.15
	(53.26)	(69.90)	(53.39)
2. Agricultural Labourers	78.33	0.13	41.43
	(18.94)	(12.62)	(13.04)
3. Non-agricultural Labourers	114.96	0.18	97.14
	(27.80)	(17.48)	(30.57)
4. Total Main Workers	413.60	1.03	317.72
	(100.00)	(100.00)	(100.00)

Note : Figures in brackets denote percentage.

33. **Land holding** : The ownership position of land of this disadvantaged section of society is also very poor. The table given below clearly indicates that the average size of Scheduled Tribes holdings is continuously decreasing:

**Table 14**  
**Operational Holdings of Scheduled Tribes in Uttar Pradesh**

(Area in '000 ha.)

Year	Total Population		General Population		Scheduled Tribe Population	
	Number	Area	Number	Area	Number	Area
<b>1980-81</b>						
(a) Total	17816	17971	15157	16260	28.0	50
Holdings	(100.00)	(100.00)	(85.07)	(90.48)	(0.16)	(0.28)
(b) Marginal	12572	4614	10410	3903	15	5
Holdings	(100.00)	(100.00)	(82.80)	(84.59)	(0.12)	(0.11)
<b>1990-91</b>						
(a) Total	20074	17986	16753	16044	32.3	57
Holdings	(100.00)	(100.00)	(83.46)	(89.20)	(0.16)	(0.32)
(b) Marginal	14819	5654	12031	4717	17	6
Holdings	(100.00)	(100.00)	(81.19)	(83.43)	(0.11)	(0.10)

### State Plan outlay and expenditure

34. The Planwise and yearwise allocation and expenditure alongwith proposed outlay for Ninth Plan (1997-2002) and for the year 2000-2001 are as follows :

**Table 15**  
**Allocation and expenditure under Tribal Sub-Plan**

S.No.	Plan Period	State Plan		TSP		(Rs. In Cr.) %age Col.	
		Outlay	Expenditure	Allocation	Expenditure	5-3	6-4
1	2	3	4	5	6	7	8
1.	Sixth Five Year Plan (1980-85)	6200.00	6594.29	5.54	2.52	0.09	0.04
2.	Seventh Five Year Plan (1985-90)	11000.00	11948.72	7.68	6.79	0.07	0.06
3.	Eighth Five Year Plan (1992-97)	22005.00	21667.02	91.00	70.99	0.41	0.33
4.	Ninth Plan (Proposed) (1997-2002)	46340.00	----	1155.27	----	2.49	----
5.	1997-98	7163.34	5666.70	36.03	25.01	0.50	0.44
6.	1998-99	10260.96	6363.94	52.39	38.93	0.51	0.61
7.	1999-2000	11400.00	6568.87	43.58	40.29	0.38	0.61
8.	2000-2001 (Proposed)	9025.00	----	38.88	----	0.43	----

## Special Central Assistance

35. In Addition to the TSP outlay, Special Central Assistance is also allocated to the State for Basic Minimum amenities and socio-economic upliftment of Scheduled Tribes population. The Planwise amount of Special Central Assistance sanctioned under TSP in the State is corporated in the following table:

**Table 16**  
**Utilisation of Special Central Assistance Under TSP**

(Rs. In Cr.)

S.No.	Plan Period	Special Central Assistance		
		Amount Sanctioned	Amount Utilized	%age
1.	Sixth Five Year Plan (1980-85)	1.02	0.95	93.14
2.	Seventh Five Year Plan (1985-90)	2.46	2.43	98.78
3.	Annual Plan (1990-91)	0.48	0.48	100.00
4.	Annual Plan (1991-92)	0.55	0.53	96.00
5.	Eighth Five Year Plan (1992-97)	3.26	3.26	100.00
	i. 1992-93	0.57	0.57	100.00
	ii. 1993-94	0.67	0.67	100.00
	iii. 1994-95	0.61	0.61	100.00
	iv. 1995-96	0.39	0.39	100.00
	v. 1996-97	1.01	1.01	100.00
6.	Ninth Plan (1997-2002)	3.65	-	-
	i. 1997-98	0.64	0.64	100.00
	ii. 1998-99	1.12	1.12	100.00
	iii. 1999-2000	1.00	0.58	57.63
	iv. 2000-2001 (Proposed)	1.20		

36. The above socio-economic profile of the Scheduled Tribes amply demonstrates that though the status of Scheduled Tribes in U.P. has improved appreciably over the years particularly in literacy but there is still a long way to go in this direction. The main problem of Scheduled Tribes in U.P. is poverty, which is primarily due to under-developed agriculture. Indebtedness due to inadequate means of livelihood, is another important problem. Inadequate means of transport and communication facilities further compound these problems. In view of it, welfare programmes were formulated and implemented during past period. In addition , Area Development Approach was also adopted for the integrated development of Tribal

Areas. However, it is needed that the strategy for the development of Scheduled Tribes would have to be based on comprehensive economic and human resource development efforts so that they could acquire the ability to benefit from the general economic development programmes. In view of above fact, the approach, objectives and strategy during Ninth Five Year Plan (1997-2002) and Annual Plan (2000-2001) are mentioned as below:-

### **Ninth Five Year Plan and Annual Plan 2000-2001**

37. During Ninth Five Year Plan (1997-2002), separate outlay for TSP was allocated in proportion of their population and a separate Tribal Sub-Plan was formulated in consultation with the various development departments. An outlay of Rs.1155.27 and Rs.38.88 Crore have been proposed for the Ninth Five Year Plan (1997-2002) and the Annual Plan (2000-2001) respectively under TSP. The TSP with the following approach, objectives and strategy for development is defined broadly by the measures given below:-

- 1- Earmarking of funds for TSP in proportion to the percentage of Scheduled Tribe Population in the State is being ensured. Larger percentage may be earmarked to bridge the gap between the development of Scheduled Tribes and general population and to bring Scheduled Tribes at par with the rest of the population.
- 2- Funds allotted under the TSP should be utilised on such schemes/programmes as would serve the specific needs of the tribes and should, as far as possible, be beneficiary oriented.
- 3- More and more emphasis would be given to the national schemes of Basic Minimum Services viz. safe drinking water supply, primary health care, public housing assistance, link roads, nutrition, streamlining of public distribution system, universal and compulsory primary education etc.
- 4- While preparing Tribal Sub-Plan, it would also be ensured that the proposed development programmes are based on the principle of “development with social justice”. The quantum of employment generation, income generation and magnitude of increased income of Scheduled Tribe families would also be estimated while formulating development programmes.
- 5- Plan schemes which benefit the Scheduled Tribe families on cent percent basis would be continued with the condition that physical targets be fixed against respective plan expenditure, In addition to this, physical and financial targets would also be fixed for proposed new schemes.
- 6- Only those development programmes would be selected in agriculture, animal husbandry, small and cottage industries, etc. which can substantially improve the economic condition of Scheduled Tribes. It will also be ensured that the benefits shall accrue to landless, labourers, small and marginal farmers, and other poorer sections of the tribal population. Training in different trades will also be given to the target group so that they are capable of availing of new job opportunities.

- 7- Proper and adequate rehabilitation of tribals displaced due to execution of major development projects will be done so as to ensure that the standard of living of the tribals after their displacement is better than earlier.
- 8- Since majority of tribals are unskilled labour, more emphasis will be given to opening of training cum-production centers where they would be imparted training in handlooms, carpet weaving, carpentry blacksmith and other allied and hereditary trades of the tribals.
- 9- Since the tribal economy is largely dependent on forest, coordinated efforts would be made by Forest and Tribal Development Departments within the framework of Forest Conservation Act, 1980 for giving them adequate conditions of livelihood.
- 10- Special Central Assistance from Government of India will be utilised only for economic development of tribal population.
- 11- Non-Governmental Organisations engaged in tribal development work would be encouraged by providing more incentives and freedom of work to them.

### **NEW METHODOLOGY FOR THE TRIBAL SUB-PLAN**

38. In the year 1998-99, state government brought about significant policy changes for the implementation of Tribal Sub-Plan. Under the new regime, the planning department will allocate outlays under the TSP by consultation with various departments in proportion to Scheduled Tribes population in the state under various schemes within the frame work of integrated planing. The task of monitoring of expenditure and proper utilisation of the quantified budget allocations under the TSP rests with the Social Welfare Department. With a view to ensure proper coordination , a committee has also been setup in the government, comprising, Principal Secretaries of Finance, Social Welfare and Planning. In the continuation of the process, following modus-operandi is also decided by the State Government:

- 1- The quantification of outlay under SCP/TSP will be 50% from district sector and 10 to 15% from state sector, so as to ensure the quantification in proportion of SC/ST population.
- 2- Social Welfare Department will work as nodal department and in consultation with the concerned administrative department and Planning Department, the sector-wise/scheme-wise allocation of outlay will be finalised by Social Welfare Department against the overall quantified outlay. The, compiled SCP/TSP will be made available to Planning Department for the incorporation of it in the State Plan.
- 3- The quantification of outlay in district plans will be done at the district level. Therefore, proper guidelines will have to be finalised and supplied to the districts in the beginning.
- 4- The development departments will have no right to alter the quantified outlay. If amendment is deemed to be essential, the concerned department will have to take the approval of Social Welfare Department.
- 5- In accordance with the quantified outlay under SCP/TSP, budget provisions will be ensured in each grant/budget heads under sub-head:02.



## CHAPTER - 5

### WOMEN COMPONENT PLAN

Women, as a separate target group, account for 651 lakh (including girl children) as per the 1991 Census and constitute 47 percent of the total population of the State. They are the principal providers of care and support to infants and children. Thus, the investments towards women capacity building and empowering them to exercise their choice is not only valuable in itself but is also the surest way to contribute to economic growth and overall development of the Society. Therefore, their concerns are placed on the priority list of the development agenda. It is in this perspective that several initiatives have been taken by the Government and voluntary organisations to reduce gender inequity for obviating the discriminatory practices towards women which are still prevailing in the Society.

2. In order to improve the well being of women and children in Society the Government has made a significant shift in the approach from 'Welfare during Fifties' to 'Development during Seventies' and to 'Empowerment during the Nineties'. During the Nineties major thrust in respect of women was to make them economically independent and self-reliant, while in respect of children efforts were made to ensure their 'survival protection and development' with special focus on the girl child and adolescent girl. Constitution of India also gives support and strength to them as its Article 14 confers equal rights and opportunities for men and women in the political, economical and social spheres; Article 15 prohibits discrimination against any citizen on the ground of sex, religion, race and caste etc; Article 16 provides for equality of opportunities in the matter of public appointments for all citizens; Article 39 mentions that the State shall direct its policy towards providing to men and women equally the right to means of livelihood and equal pay for equal work; Article 42 directs the State to make provisions for ensuring just and humane conditions of work and maternity relief whereas Article 51 (A) (e) imposes a fundamental duty on every citizen to renounce the practices derogatory to the dignity of women. Certain legislations relating to safe-guard the interests of women and girls like; The Dowry Prohibitions Act 1961 (as amended upto 1986), The Child Marriage Restraint Act 1976, The Immoral Traffic Prevention Act 1956 (as amended and retitled in 1986), Indecent Representation of Women (Prevention) Act, 1986 etc. have also come about in the recent times. The land mark achievements of both 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments in 1993 have also empowered women by ensuring their participation in the grass root democracy through the Panchayati Raj Institutions (PRIs) and Local Bodies.

3. However, inspite of Constitutional support, developmental policies and programmes impact has been far below the expectations. United Nations Development Programme report 1999 reveals that the share of women in total income is relatively very low (27.4%) as compared to males (72.6%). Female managers account for only 2 percent. Professional women technical workers are 21 percent and in Government Services the fair sex have a 6 percent participation. In organised sector employment women's share has steadily increased from 11 percent in 1971 to 15.9 percent in 1997, but it still stands very low

when compared to men. In the Lok-Sabha women's are 7.5 percent of total members whereas in State Legislative Assemblies they are only 3.9 percent.

### The Current Scenario

4. Developmental policies and welfare programmes, both in women specific and women related sectors, put into action through the successive Five Year Plans, have resulted in significant improvement in the socio-economic status of women. In the following paragraphs, an account of important achievements along with the problems and gaps in the core sectors of health demography, education, employment, decision making, and political participation etc; has been furnished. The Statewise data in support of these achievements/gaps is given in the Annexure.

### Sex Ratio

5. The sex ratio in Uttar Pradesh has declined from 910 in 1951 to 885 in 1981 and further to 879 in 1991. The corresponding figures at all India level were 946 in 1951, 934 in 1981 and 927 in the year 1991. Among the States sex ratio is highest in Kerala (1036). The decline in sex ratio in Uttar Pradesh is largely due to unequal treatment received by the girls.

### Expectation of life at birth

6. The average life expectancy at birth for women (54.5 years) in Uttar Pradesh is lower than the male expectation of life (56.8 years) whereas at national level this figure is slightly higher for females (59.4 years) than the males (59 years). The projected figures for life expectancy during the period 1996-2001 is 61.2 years for males and 61.1 years for females in Uttar Pradesh whereas at all India level these figures are estimated at 62.3 and 65.3 years respectively.

### Literacy

7. Census data indicates that at national level the discrimination in male and female literacy rate was nearly 20 percentage points in 1951 which increased to 25 points during the census 1991 whereas in Uttar Pradesh this discrimination increased from 14 percentage points in 1951 to 30 in 1991.

**Literacy Rates (1951-97)**

Year	India		Uttar Pradesh	
	Female	Male	Female	Male
1951	8.86	27.16	3.56	17.30
1971	21.97	45.95	10.55	31.50
1991	39.19	64.13	25.31	55.73
1997	50.00	73.00	41.00	69.00
Increase in Percentage points				
During				
1971-91	17.22	18.18	14.76	24.23
1991-97	10.81	8.87	15.69	13.27

Source : Census of India of respective years and 53<sup>rd</sup> round of National Sample Survey

8. Census Data indicates that during the past 20 years (1971-91) male and female literacy in Uttar Pradesh has increased by 24.23 and 14.76 percentage points. As compared to census data the results of 53<sup>rd</sup> round of National Sample Survey indicates that during the past 6 years (1991-97) the State has achieved a remarkable progress. During this period the increase in male and female literacy rate is 8.87 and 10.81 percentage points at all India level whereas the corresponding figures are 13.27 and 15.69 percentage points at the State level. This clearly indicates that whatever we achieved during the past 20 years we achieved during the period (1991-97)

9. Census, 1991 data also reveals that highest discrimination in male-female literacy is in BIMARU. (Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh) States. This discrimination is nearly 34 percentage points in Rajasthan as compared to nearly 30 percentage points each in Uttar Pradesh, Madhya Pradesh and Bihar. The States having low female literacy than all India average (39.19%) are Madhya Pradesh (28.85%) Uttar Pradesh (25.31%), Bihar (22.89%) and Rajasthan (20.44%).

10. The census data 1991 also indicates that in relation to female literacy, a large scale of disparity is existing amongst the development blocks of Uttar Pradesh. Out of a total 904 development blocks of the State, 13 blocks have female literacy less than 5 per cent and 122 between 5-10 per cent.

### School attendance (Age 6-14 Years)

11. In the indicator of school attendance of girl students, Uttar Pradesh ranks 13<sup>th</sup> amongst the 16 major States. The percentages of boys and girl school going students of age 6-14 years in Uttar Pradesh are 72.8 and 48.2 percent whereas this proportion is 75.5 and 58.9 percent respectively at all India level: The latest data of girl enrolment in the State indicates that a remarkable progress is achieved during the past two years. During the last two years, enrolment of scheduled castes and backward class girls in the State have increased by 44 and 40 per cent respectively.

### Work Participation Rates

12. Due to increasing population, the number of workers have also been rising, but in terms of proportion they appear to lose their share in each subsequent censuses. This could be seen that the share of working population is falling both among male and female population but it is more marked in the case of female workers.

**Workers and their Composition by Sex : Uttar Pradesh**

Census Year	Workers (in lakh)		Percentage of Workers in the respective population	
	Male	Female	Male	Female
1951	198	71	60	24
1961	225	64	58	18
1971	245	28	52	7
1981	296	28	50	5
1991	265	49	49	7.5

Source : Census of India of respective years

13. The number of female workers in Uttar Pradesh fell sharply from 71 lakh in 1951 to 28 lakh in 1981, which then increased to 49 lakh in 1991. Apparently, the sharp fall in the number of female workers is due to differences in scopes of definitions of Censuses. During the period 1951-91 census, proportion of male workers among male population fell from 60 percent to 49 percent whereas for female this proportion fell from 24 to 7.5 percent .

14. The problem of unemployment amongst female has also become a matter of great concern in recent past. The National Sample Survey Organisation (NSSO) data for 1993-94 based on current daily status reveals that the unemployment rate amongst urban females of Uttar Pradesh is 4.8 percent whereas it is 3.9 percent for the rural females. The corresponding rates for rural and urban males are 2.9 and 4.8 percent respectively.

### **Gender-related Health Index (GHI)**

15. This index combines four parameters viz expectation of life at birth, adult literacy, middle school enrolment ratio and infant mortality rate. The higher the index value the higher gender equality status. An analysis of GHI as given an Annexure reveals that Kerala leads gender equality in health with a score of 88.1. The lowest score (34.1) is of Orissa. The scores of all the relatively backward States viz Bihar, Rajasthan, U.P. and M.P. is 43.5, 40.62, 37.29 and 34.8 respectively. The rank of Uttar Pradesh is 13<sup>th</sup> among the 16 major States on the GHI.

### **Reproductive Health Index (RHI)**

16. RHI combines six parameters viz Total fertility Rate, Infant Mortality Rate, Proportion of higher order birth, birth interval, Medical Attention at birth and Female education. The maximum RHI value is observed in Kerala (84.6) and the minimum in Uttar Pradesh (22.8). The States other than Kerala with a score of 50 or more are Tamil Nadu (63.6), Andhra Pradesh (53.5), Himanchal Pradesh (50.9), Maharashtra (53.9) and Punjab (50.1). If we analyse each of the six components of the RHI separately we get an almost identical picture as from the composite index.

### **Progress during Planned Development:**

17. During the successive Five Year Plans, efforts were made to enhance employment and income generation activities for women under various sectors viz agriculture, dairying, animal husbandry, Khadi and village industries, small scale industries, handloom, handicrafts etc. Since nearly 90 percent of rural women were engaged in agriculture sector, efforts were made to enhance their skills in agricultural

operations and extension work. In order to provide necessary environment and infrastructure for their overall socio-economic development and also to help them to play a significant role in the development process as participants and beneficiaries, a separate department of Women and Child Development was established in 1989. The department is implementing several schemes to meet the needs of the large population of the deprived women and also to empowering them, so that they may share the fruits of progress.

18. During the Eighth Plan (1992-97), special efforts were made to uplift the socio-economic status of women in Society. For this purpose priority has been given to women in various poverty and unemployment alleviation programmes, so that they can generate gainful employment opportunities through promotion/expansion of both wage and self employment opportunities and thus become economically independent and self reliant. The notable features in this direction are:-

- The number of children attending primary schools has vastly increased from 2.73 million in 1950-51 to 14.82 million by the end of 1991-92.
- Increase in grant from Rs. 10 lakh to Rs. 20 lakh to private institutions for opening of Senior Secondary Girls School in unserved development block. In the second phase at least two Senior Secondary Girls School shall be opened in each development block.
- ICDS covered 560 of the total 904 development blocks making a coverage of 62 percent. Apart from supplementary nutrition and attention to pre-school education of 3 to 6 years old, the 48000 Aanganwadi Centres in the State also facilitate linkages with the health system through immunisation, referral services, effective monitoring in health and nutrition education.
- Grant-in-aid to destitute widows has been increased from Rs. 100 per month to Rs. 125 per month. The number of beneficiaries in this regard till now stands at 504495.
- While naming guardian, the name of the mother should compulsorily be included along with the name of the father.
- Rights of agricultural land have been given to widow after the death of her husband.
- The State Government through succeeding Five Year Plans has been increasingly addressing the issues relating to the status of women with placing priority on skill-upgradation of women through several schemes VIZ IRDP, DWCRA, JRY, Rashtriya Mahila Kosh, Swarna Jayanti Sunishchit Rojgar Yojna etc. These initiatives have been further strengthened by the one-third representation of women in local-self government institutions under the Panchayati Raj and Urban Local Bodies Act of 1993 and 1994. In Uttar Pradesh, of the total 521385 elected members 200243 (38%) are women.

## **The Objective and Strategy for the Ninth Plan (1997-2002)**

19. 'Empowerment of Women' being one of the main objectives of the Ninth Plan, every effort will be made to create an enabling environment where women can freely exercise their rights both within and outside home, as equal partners along with men. This will be realised through early finalisation and adoption of the 'State Policy for Empowerment of Women' which will lay down definite goals, targets and policy prescriptions along with a well defined 'Gender Development Index' to monitor the impact of its implementation in raising the status of women from time to time.

20. Keeping in view the depressed socio-economic condition of women in the society, an integrated approach will be adopted towards empowering women through convergence of existing services, resources, infrastructure and manpower available in both women specific and women-related sectors with the ultimate objective of achieving the set goal. To this effect, the Ninth Plan adopts a special strategy of 'Women Component Plan' through which not less than 30 percent of the funds/benefits are earmarked in all the women related sectors. It also suggests a special vigil to be kept on the flow of the earmarked funds/benefits through an effective mechanism to ensure that the proposed strategy brings forth a holistic approach towards empowering women. In order to fulfill the above mentioned objectives following strategy will be adopted during the Ninth Plan period (1997-2002).

- Awareness generation, confidence building and promotion of self-reliance amongst women,
- Commencement of the intensive female literacy programme in the areas having lowest level of female literacy,
- Gender sensitization within the family and community to promote an environment more conducive for accepting women as equal partners,
- Attention will be paid to their health especially the reproductive health and their access to health care services,
- Enhancing women income, earning opportunities through improved access to credit, training technology, market support etc. and freeing them from the drudgery and time spent on household chores such as fuel, fodder and water collection,
- Violence against women will be eliminated through legislation, regulatory mechanism and media policies,
- To expedite action to legislate reservation of not less than 1/3 seats for women in the parliament and in the State Legislative Assemblies and thus ensure adequate representation of women in decision making,
- To adopt a special strategy of 'Women's Component Plan' to ensure that not less 30 percent of funds/benefits flow to women from other development sectors,

- To organise women into Self-Help-Group and thus mark the beginning of a major process of empowering women .

21. During Ninth Plan the ongoing training-cum-employment-cum-income generation programmes VIZ, IRDP, TRYSEM, JRY, DWCRA, Nehru Rojgar Yojna (NRY) Prime Minister's Rozgar Yojana (PMRY), Swarn Jayanti Gram Swa Rozgar Yojna (SJGSRY), Indira Mahila Yojna (IMY), NORAD, Mahila dairy for milk Cooperative societies, support for training and employment (STEP) etc. will be expanded to create more and more of employment-cum-income generation opportunities to cover as many women as possible living below poverty line.

22. New proposals for the Annual Plan 2000-2001 are as under :

- Free education to girls upto graduation level in Government Schools/Colleges and universities and Colleges affiliated to Universities.
- In rural areas, during the coming five years 42000 women's will be benefitted with the help of 2800 Self-Help-Group's through a Rs. 62.14 crore scheme 'Mahila Utthan Yojna' being implemented in 15 districts of the state.
- In order to enhance income and employment among women 38850 families will be benefitted during the year 1999-2000 through 'Comprehensive Mini Dairy Scheme' and 'Mahila Mini Dairy Scheme'
- With the assistance of World Bank, a new project: ICDS III will be launched in 300 development blocks of the state, in which 110 new schemes will be implemented and 190 Continuing schemes will be strengthened.
- In Government services, 20 percent reservation will be given to females. This reservation will be given within each reservation category.
- In professional and technical education, a scholarship ranging between Rs. 50 to Rs. 425 will be granted to the girls belonging to general category living below poverty line.
- Maximum limit of the maintenance grant to divorced women will be increased from Rs. 500 per month to Rs. 5000 per month after necessary amendments in the Criminal Procedure Code.
- Establishment of 22 new girls polytechnics with intake capacity of 1880 to impart technical education to them.
- Training to 5500 women and girls through Entrepreneurial Development training programme for encouragement in self-employment.

23. During the Ninth Five Year Plan an outlay of Rs.1045.09 crore has been allocated for Women Component Plan in which Rs. 914.03 crore is for plains and the remaining Rs.131.06 crore is for the

Uttaranchal. The anticipated expenditures during the Annual Plans 1997-98, 1998-99 and 1999-2000 were Rs. 175.58, Rs.208.06 and 171.25 Cr. respectively. An outlay of Rs. 176.60 crore is allocated for Women Component Plan during the Annual Plan 2000-2001, whose sectoral break-up is given in following table:-

### Women Component Plan

(Rs. in lakh)

Sectors	Proposed outlay for the Ninth Plan	Expenditure during the Annual Plans			Proposed outlay for the Annual Plan 2000-01
		1997-98	1998-99	1999-2000	
Dairy	1360.3	199.42	39.96	293.68	277.60
Rural Development	26001.00	4284.45	5685.34	1049.28	1027.41
<b>Industries</b>	<b>251.77</b>	<b>12.20</b>	<b>25.97</b>	<b>19.43</b>	<b>34.21</b>
Women Silk Project	36.77	5.00	8.23		9.21
Handloom	10.00				
Village and Small Industries	205.00	7.20	17.74	19.43	25.00
<b>Education</b>	<b>18636.48</b>	<b>4259.20</b>	<b>4348.29</b>	<b>3716.93</b>	<b>1346.49</b>
Basic Education	11587.90	3007.78	3180.14	2826.27	29.98
Secondary Education	4888.58	391.86	1158.15	670.06	1089.51
Technical Education	2160.00	859.56	10.00	220.40	227.00
Urban Development	200.00		10.29	7.60	87.80
<b>Welfare of SC/ST/DT</b>	<b>14754.71</b>	<b>4795.17</b>	<b>3725.76</b>	<b>3915.10</b>	<b>4537.41</b>
Welfare of SC	12897.25	4612.99	3624.69	3737.32	4360.41
Welfare of ST	1699.96	127.28	53.67	81.93	177.00
Welfare of DT	157.50	54.90	47.40	95.85	
<b>Social security &amp; Welfare</b>	<b>20104.50</b>	<b>3471.99</b>	<b>4498.00</b>	<b>4468.26</b>	<b>5470.50</b>
Social Welfare	8670.00	1993.76	1835.20	1070.45	1615.10
Sainik Welfare	13.00	1.60	2.40	3.00	3.50
Welfare of Handicapped	661.50	161.35	184.99	309.16	369.63
Women Welfare	10760.00	1315.28	2475.41	3085.65	3482.27
Nutrition	23200.00	535.78	2472.77	3655.00	4878.74
<b>Women Component Plan –</b>	<b>104508.78</b>	<b>17558.21</b>	<b>20806.38</b>	<b>17125.08</b>	<b>17660.16</b>

24. The physical targets during the Annual Plan 2000-2001 is to open 100 girls Higher Secondary and Intermediate colleges in served areas in Nyaya Panchayat. During the Annual Plan 2000-2001, the proposed target for grant of scholarship to girls of class I to X, belonging to Scheduled Castes is 6.72 lakh and 6400 for Scheduled tribes. The grant-in-aid to destitute widows is proposed for 175839 widows and old age/kisan pension to 95375 women during the same period. It is also proposed to give grant-in-aid to 18503 physically handicapped destitute women. In nutrition sector, 141 projects are proposed to be implemented during the Annual Plan 2000-2001 through 36757 Anganwadi centres to benefit 35.75 lakh women and girls.



## Annexure

India/States	Sex Ratio		Literacy Percent 1991		Expectation of life at birth (1990-92)		Gender related Health Index 1993	Reprod- uctiveon Health Index 1993	School Attendancea Age 6-14 years (1992-93)	
	1981	1991	Male	Female	Male	Female			Boys	Girls
	1	2	3	4	5	6			7	8
India	934	927	64.13	39.29	59.0	59.4	49.87	42.21	75.5	58.9
Andhra Pradesh	975	972	55.13	32.72	59.0	61.5	50.34	53.45	71.8	54.8
Bihar	946	911	52.49	22.89	N.A.	58.3	43.51	30.48	63.6	38.3
Gujarat	942	934	73.13	48.64	59.1	61.3	57.71	49.07	82.4	68.4
Haryana	870	865	69.10	40.47	62.2	63.6	54.30	41.98	87.2	74.7
Himachal Pradesh	973	976	75.36	52.13	63.2	63.0	60.01	50.94	93.8	87.6
Karnataka	963	960	67.26	44.34	60.0	63.6	54.97	49.03	76.4	64.4
Kerala	1032	1036	93.62	86.13	68.8	74.4	88.12	84.61	94.7	94.8
Madhya Pradesh	941	931	58.42	28.85	54.1	53.5	34.78	29.90	69.0	54.8
Maharashtra	937	934	76.56	52.32	63.1	64.7	64.67	53.87	86.2	76.6
Orissa	981	971	63.09	34.68	55.9	54.8	34.11	35.14	76.8	62.0
Punjab	879	882	65.66	50.41	65.4	67.5	61.21	50.09	83.4	77.8
Rajasthan	919	910	54.99	20.44	57.6	57.8	40.62	27.13	74.2	40.6
Tamilnadu	977	974	73.75	51.33	61.0	63.2	62.13	63.60	86.0	78.7
<b>Uttar Pradesh</b>	<b>885</b>	<b>879</b>	<b>55.73</b>	<b>25.31</b>	<b>56.8</b>	<b>54.6</b>	<b>37.29</b>	<b>22.80</b>	<b>72.8</b>	<b>48.2</b>
West Bengal	911	917	67.81	46.56	60.5	62.0	57.23	48.03	72.5	62.9

Source : Towards population and development goals, United Nations Populations Fund New Delhi 1997

## CHAPTER - 6

### PRIME MINISTER'S GRAMODAYA YOJANA

For reducing disparities in some selected few amonites to secure the satisfaction of basic needs and improve quality of life, Minimum Needs Programme (MNP) was initiated first time in Fifth Five Year Plan. Based on the experience of this programme, a new programme of Basic Minimum Services was launched in 1996-97, which was in continuation of the erstwhile Minimum Needs Programme with a still sharper focus on seven selected services for rural areas in a much shorter period. The services taken up under this programmes are 100% provision of safe drinking water in rural as well as urban areas, cent-percent coverage of primary health facilities in both the areas. Universalisation of primary education, shelter to all shelter-less poor families, extension of mid- day meal programme in primary schools in all rural blocks and urban slums and disadvantaged sectors, provision of connectivity to all unconnected villages and habitations, streamlining of Public Distribution System with focus on the poor.

2. The Chief Minister's conference on Basic Minimum Services held on 4-5 July, 1996 felt that these basic services could constitute the core of our social sector and Minimum Needs Programme. The priorities of these sectors and programmes should be revised to reflect the imperative need to concentrate our efforts and resources on these services. It was also felt that in determination of allocations for these Basic Minimum Services by the states and the Centre, the special needs of the states below national average may be taken into consideration.

3. To further focus on selected Basic Minimum Services, a new initiative in the form of Prime Minister's Gramodaya Yojna (PMGY) has been launched in the current year, 2000-2001. With the objective of sustainable human development at village level in a time bound manner, the Basic Minimum Services programme will be merged with the new scheme. Under new scheme of PMGY, additional Central Assistance is being provided under two components, rural roads for improving rural connectivity and other programmes comprising five basic needs of rural population, viz., primary health, primary education, shelter to shelter-less, drinking water and nutrition.

4. The paras which follow deal very briefly with the situation of the state in respect of these services, the expenditure incurred so far and the requirements of funds in Ninth Plan.

## Provision of Safe Drinking Water

### A-Rural Water Supply

5. At present water supply programmes in the rural areas are the Accelerated Rural Water Supply Programme (ARWSP), water supply for Quality Problem Village under centrally sponsored scheme, Externally Aided Projects like the Indo Dutch Programme, the World Bank assisted UP Rural Water Supply and Environmental Sanitation Project (SWAJAL).

6. To assess the status of water supply in all habitations in the rural areas in the country, a survey was conducted as per guidelines of the Govt. of India. On the basis of the this survey in the State, out of the total 2,74,641 habitations, 1,36,877 habitations were fully covered upto 1993-94 with the drinking water facilities. Out of remaining 1,37,764 habitations, 45,339 habitations were non covered (NC) and 92,425 habitations were partially covered (PC). This State had 65% of the country's 1,40,975 non covered habitations. Similarly, 7,724 very poorly covered habitations having water facilities only upto 10 litre per capita per day (lpcd) in the state, it is 13% of 61,395 very poorly covered habitations in the country. The remaining 84,701 partially covered habitations were having drinking water availability between 10 to 40 lpcd.

7. The status as on 1<sup>st</sup> April, 2000 as regards to habitations under different categories is as under :

Item		Status as on		Progress during			Target
		1-4-1994	1-4-1997	1997-98	1998-99	1999-2000	2000-2001
1-	Habitations to be covered	274941	274641				
2-	Fully covered	136877	199055	212169	220622	226516	
3-	<b>Balance to be covered</b>	<b>137764</b>	<b>75586</b>	<b>62472</b>	<b>54019</b>	<b>48125</b>	
	out of this :						
(a)	Non covered (NC)	45399	14349	1131	558	408	263
(b)	Partially Covered (PC)	92425	61237	26753	20983	14811	4605
	- less than 10 lpcd	7724					
	- between 10-40 lpcd	84701					

8. The financial and physical progress under Ninth Plan is as follows :

Item	Under Normal	Partially Covered (PC)			Total
	Programme	-----			
	Not covered (NC)	Normal Programme	Water quality problem habitations	Sub-total	
1	2	3	4	5	6
Physical (No. of Bastics)					
<b>- Ninth Plan</b>	<b>14349</b>	<b>59987</b>	<b>1250</b>	<b>61237</b>	<b>75586</b>
-1997-98	1131	26753	-	26753	27884
-1998-99	558	20983	-	20983	21541
-1999-2000	408	14805	6	14811	15219
-2000-2001	263	4573	33	4605	4868
B- Financial (Cr. Rs.)					
<b>-Ninth Plan</b>					<b>1632.96</b>
- 1997-98					260.11
- 1998-99					282.39
-1999-2000					272.88
-2000-2001					293.29

9. In the plains, habitation coverage are mostly by handpump schemes but in some difficult areas where handpumps are not successful, piped water supply is being provided. As the piped water supply in hill region is costly due to physical constraints such as requirement of pumping from lower level to higher level, heavy transportation cost, use of G.I. pipe etc, it may not be possible to cover all the remaining Non Covered (NC) habitations of hills by 2000 A.D.

## B-Urban Water Supply

10. As per 1991 census, there are 681 township in U.P. The status of coverage of towns with water supply as on 1-4-2000 is as follows:

Population	Total No. of towns	Towns covered upto 4/97	Balance to be covered under Ninth Plan	Achievement			Target 2000-01
				97-98	98-99	99-2000	
1	2	3	4	5	6	7	9
More than 5 lakh	8	8	-				
>1 lakh < 5 lakh	32	32	-				
> 20,000 < 1 lakh	176	175	1	5	7	22	16
< 20,000	465	404	58				
Total:	681	619	59	5	7	22	16

11. During Ninth Plan all the remaining 59 Non Covered (NC) towns are proposed to be covered. Against this target 34 towns have been covered in first three years and in 2000-01 Besides, another 7 towns have been covered in first three years of the Ninth Plan under. Target for 2000-01 has been kept to cover another 2 towns under this programme. augmentation schemes to provide water supply as per norms.

### Provision of Primary Health Care

12. The programme emphasis's provision of comprehensive and efficient primary health care, which is the main instrument for achieving the 'Health for All' goal by 2000 AD.

13. The main thrust of the programme is to create required infrastructure of Sub Centres, Primary Health Centres, and Community Health Centres in the State. These centres are mainly responsible for ensuring availability of primary health care services in remote and difficult rural areas as well as in hill and tribal areas of the State. In setting up of these centres the inter-regional disparities will be kept in view so that the areas which have not yet been covered, are given priority.

14. In urban areas too, primary health care services are inadequate. During Ninth Plan, it is proposed that primary health care services are extended in the urban areas, particularly in slums by establishing one urban primary health centre per 30,000 population.

15. The emphasis has also been laid on consolidation and strengthening of existing rural health infrastructure by way of providing buildings, extra medicine facilities and additional staff in accordance with the prescribed norms.

16. The Ambulance Services have also been proposed at all Community Health Centres.

17. Priority will be given to ensure proper supply of water and electricity etc. at P.H.Cs and C.H.Cs.

18. Proposed targets and achievements under Ninth Plan are as follows:-

Items	Required Numbers	Level at the end of 1996-97	Ninth Plan Targets	1997-98 Actual	1998-99 Actual	1999-2000 Actual	2000-01 Target
1	2	3	4	5	6	7	8
1. Sub Centres	23650	20153	3497				
2. Primary Health Services							
a. Rural PHC	3900	3889	11	9	1	1	9
b. Urban Centres			526				100
Community Health Centres (CHC)	907	288	214	22	8		40

19. The targets for construction of buildings of sub centres, P.H.Cs and C.H.Cs. for the Ninth Plan, progress during the first three years, 1997-98, 1998-99-1999-2000, and the targets proposed for Annual Plan 2000-2001 are as follows :-

Items	Likely Level at The end of VIII Plan	Proposed Targets	1997-98		1998-99		1999-2000 Target
		Ninth Plan	Target	Actual	Target	Actual	
Sub.Centres	6182	47(s.o) 158 New Sanction	89(s.o) 375 New Sanction	365	274	203	43(H)
Primary Health Centres	1309	124 800 New Sanction	75 Comp. 57 New Sanction	112	72	42	55
Community Health Centres	321	200 Comp. 57 New	52 Comp. 22 New Sanction	27	29	20	32

20. Efforts will be made to supplement the health infrastructure in all newly created districts in the Ninth Plan.

### **Housing for the poor**

21. As per 1991 census, there were 12.51 lakh households. without house. The increase in housing requirement as per the national norm is 2.1 lakh houses per year. From 1991 to March, 1996, 8,02,623 shelter-less families have been provided houses under the several housing schemes viz, centrally sponsored Indira Avas Yojana and State fund Nirbal Varg Avas Yojna. It means that about 15 lakh families are still houseless. By the end of 2000 AD. this number is expected to go up to 25.5 lakh.

22. It has been estimated that in order to provide house to every shelterless family living below poverty line by the end of 2000 A.D., Approximately 2.1 lakh houses will have to be constructed every year. It will require financial allocation of Rs.824.16 crore by Central Government and Rs.206.04 crore by State Government every year at current unit cost of Rs.20 thousand for plains and Rs.22 thousand for hills and difficult areas.. The Government of India had released only Rs.216.16 cr., Rs.230.02 cr.and Rs.270.14 cr. during the years 1997-98 and 1998-99 and 1999-2000 as Central Share. During these years 1.08 lakh, 1.37 lakh and 1.81 lakh houses were constructed. During the year 2000-01 it is proposed that 1.87 lakh houses will be constructed with the central assistance of Rs.248.00 cr.

## Rural Roads

23. As per road development policy of the State Government, all the villages having population more than 1000 as per 1991 census are proposed to be connected by painted roads by the year 2005 and all rest the villages by the year 2010.

24. The State has in total 1,12,803 villages of different categories, out of which 56,866 villages were connected by roads by the end of Eighth Plan. In the Annual Plan, 1997-98 of PWD, the target of connecting 2,258 villages was fixed (including 954 villages above 1000 population) against which 1710 villages (including 1019 villages above 1000 population) were connected. The target fixed for the year 1998-99 was to connect 2900 villages (including 2400 villages above 1000 population). Against which 3299 villages (including 2730 villages above 1000 population) were connected. During 1999-2000, 2989 villages were connected against the target of 3300 villages. The target for year 2000-2001 is to connect 2480 villages above 1000 population.

25. Year-wise and programme wise physical achievement and targets of village connectivity under all programmes are indicated below:

(No. of Villages)

Department/ Programme	Ninth Plan Target	<u>Achievement</u>			<u>Target</u>
		1997-98	1998-99	1999-2000	2000-2001
1	2	3	4	5	6
Public Work Department	27103	1710	3299	2989	2428
-Employment Assurance Schemes	19062				
-Mandi Parishad	1000	658	283	201	280
-Cane Development	450	323	125	111	182
-Others sources	7620				
<b>Total:-</b>	<b>55235</b>	<b>2691</b>	<b>3707</b>	<b>3301</b>	<b>2890</b>



## Nutrition support to school children

26. By the end of Eighth Five Year Plan, 469 blocks were covered under the scheme for which an expenditure of Rs.144.57 crore was made. The total number of beneficiaries during the Eighth Plan were 24.83 lakhs.

27. During the Ninth Plan an outlay of Rs. 232 crore is proposed for this programme. Expenditure of Rs.5.36 crore, Rs.24.73 and Rs.36.55 crore was made during the years 1997-98,1998-99 and 1999-2000 respectively. The outlay proposed for the Annual Plan 2000-2001 is Rs.48.79 crore .

28. The target of opening new projects in unserved areas during the Ninth Plan is 465. Against this, 51 and 79 projects were opened during the years 1997-98 and 1998-99 respectively. The beneficiaries target for the Ninth Plan is 41.67 lakhs, out of which 5.53 lakh, 18.18 lakh were benefited during 1997-98 and 1998-99 respectively.

29. Universalisation of Primary Education (UPE)

30. The programme could be broadly categorized into three components namely universal access, universal retention and universal achievement. The Ninth Five Year Plan treats education as one of the priority areas of development. This is evident from the fact that Prime Minister's Special Action Plan (SAP) has identified the expansion and improvement of social infrastructure in education as critical area.

31. During Eighth Plan 14,717 Junior Basic and 3152 Senior Basic Schools were established. Thus the level of achievement at the end of Eighth Plan was 92,423 Junior Basic Schools and 18,075 Senior Basic Schools.

32. The physical achievements, during first three year of the Ninth Plan in terms of establishment of Junior and Senior basic Schools are given in the table below:

33. Table—Establishment of Schools

(No. of Schools)

Item	Ninth Plan Target	1997-98		1998-99		1999-2000		2000-01
		targets	Ach.	Targets	Ach.	Target	Ach.	Target
(a) Junior Basic Schools	5444	2507	3093	1777	1777	1052	747	2253
(b) Senior Basic Schools	4063	1304	2214	359	389	488	628	378
<b>Total</b>	<b>9507</b>	<b>3811</b>	<b>5307</b>	<b>2136</b>	<b>2166</b>	<b>1540</b>	<b>1375</b>	<b>2631</b>

32. During the year 2000-2001 the target is to open 2253 Junior Basic Schools and 378 Senior Basic Schools.

33. **Summary of Financial progress during Ninth Plan is as under:**

(Rs. in crore)

Programme	Ninth Plan	Expenditure during			2000-01
		1997-98	1998-99	1999-2000	Proposed
1	2	3	4	5	6
1. Water Supply	4546.26	318.88	380.42	381.44	514.79
2. Houses for shelterless	1006.00	21.06	72.53	88.70	72.23
3. Primary Education	1293.31	305.35	299.30	407.42	197.50
4. Rural Roads	8900.59	534.31	852.06	939.39	896.34
5. Primary Health care	1017.62	118.93	94.15	94.60	344.34
6. Nutrition	232.00	5.36	24.73	36.55	48.79
<b>Total :</b>	<b>16995.78</b>	<b>1303.89</b>	<b>1723.19</b>	<b>1948.10</b>	<b>2073.99</b>
<b>7. Total State Plan</b>	<b>46340.00</b>	<b>5666.70</b>	<b>6363.94</b>	<b>6568.87</b>	<b>9025.00</b>
<b>8. Percentage</b>	<b>36.68</b>	<b>23.01</b>	<b>27.08</b>	<b>29.66</b>	<b>22.98</b>

## CHAPTER – 7

# EXTERNALLY AIDED PROJECTS

In the modern economic scenario, ensuring availability of sufficient and continuous funds for the various developmental activities in the state is the topmost priority of the state government. Economic situation in UP has been on the decline in the recent years. The state government has been trying earnestly to overcome this setback and for this ambitious reform programs have been initiated in key sectors like Governance, Energy, Personnel, Finance, Tax, Health and Public Enterprises.

2. Prioritizing developmental programs and ensuring their prompt and effective implementation is imperative in the planning process. It is a fact that state government cannot implement all of its developmental programs with only its internal resources, and therefore it has to depend on the center as also on external assistance. Uttar Pradesh has a number of sources of external assistance. These include assistance from various countries through Govt. of India under bilateral assistance, and assistance from international donor agencies (like World Bank and its sister concern International Development Association (IDA), Asian Development Bank (ADB), Organization of Petroleum Exporting Countries (OPEC), European Economic Countries (EEC) etc.) under multilateral assistance. This external aid has many forms like concessional or soft loans where the terms and conditions are more liberal than the commercial loans (normally the rate of interest is less than 8% and repayment period is more than 10 years); interest free loans like those from IDA or at nominal interest rate ; interest free loans with repayment periods up to 40 years with grace period of up to 10 years ; grants, which are received without any obligation except their specific utilization from some countries; Mixed Credit in the form of a combination of concessional and non concessional loan by a few countries ; Technical assistance provided by certain countries and organizations (like United Nations Development Programs (UNDP), United Nations International Children education Fund (UNICEF), World Health Organization (WHO), Japan International Co-operation Agency (JICA) etc) for training of personnel, import of equipment for research projects etc.

3. Planning for the foreign aid flow is essentially an annual exercise. Although the broad framework of resource gap and financing pattern of the public sector investment is available from the medium term plan prepared every fifth year by the State Planning Commission, annual flows depend on a number of inter-linked factors like past commitments, projects in pipeline, pace of implementation of Externally Aided Projects, balance of payments, annual indicators for fresh commitments by donors etc.

4. The Externally Aided Projects Department in the state government works as the nodal department for externally aided projects. It is responsible for acquiring maximum external aid according to the plan priorities, preparing project guidelines, monitoring of progress of continuing and pipeline projects,

presenting project proposals to donor agencies in their priority areas etc. The department has a lump-sum fund allocated in its budget every year to be made available for project plan preparation by departments which do not have such allocation in their budget. It takes a period of 1 to 2 years for a project from its formulation for external assistance by the parent department to its actual implementation during which the project passes through a number of stages like pre-appraisal, appraisal, negotiations etc. It is only after the donor country/ agency gives its clear approval, and project agreement is signed, that the way for external aid is opened.

### **Process For External Assistance**

5. Under the currently implemented system, the various departments send their project proposals for external assistance to the “nodal committee” established in the Externally Aided Projects Department. This committee appraises the project proposals and approves it to be sent for external aid. After being approved by the nodal committee, the project proposals are sent to the concerned Ministries in the Govt. of India from where it is forwarded to Department of Economic affairs, Ministry of Finance, Govt. of India. The Finance Ministry poses these project proposals to donors for external assistance. The state govt. cannot send its project proposals directly to the donors. When the donor is satisfied with the techno economic feasibility of the project the grant/ loan is given to the Govt. of India who then releases this fund to the state govt in form of additional central assistance.

### **Advantage Of Externally Aided Projects**

6. In the center-state relations, transfer of resources to state consists of four components which are (i) transfer out of Finance Commissions recommendations, which are fixed for five years (ii) Central Assistance, which is fixed as per Gadgil Mukherji Formula (iii) Small savings loan that is fixed at 75% of the amount deposited by the state and (iv) Additional central assistance for the externally aided projects. The only flexibility exists in the area of additional central assistance for augmenting the state’s resources. Moreover, the major advantage with additional central assistance is that of the total amount received, only 70% is to be paid back, rest 30% is a grant. Better performance in externally aided projects means more disbursement by donors resulting in more ACA to the state. Thus, the state can take advantage of having externally aided projects which will augment the state’s resources for financing its annual plan. Apart from this the Externally Aided Projects also help bringing in the latest technologies and international best practices into our projects thus helping in raising our technological standards.

### **Ninth Five Year Plan**

7. In the Ninth Five Year Plan (1997-2002), an outlay of Rs. 13024.26 Cr. has been proposed for externally aided projects with a reimbursable portion of Rs. 9701.65 Cr. An outlay of Rs. 6629.38 Cr. was allocated for externally aided projects in the first three years of the Ninth Five Year Plan against which an ACA of Rs. 5584.54 Cr. was targeted. The total expenditure over these years was Rs. 2611.92 Cr. The actual ACA received during this period was Rs. 1615.33 Cr. which was approximately 29% of the target. There is a wide gap between the target and achievement. The major reason for dismal performance is that

outlay for a number of pipeline projects for the financial year 1999-2000 was allotted but only a small number of them were sanctioned. Thus the figures and ratios shown below should not be taken entirely as an indicator of our poor performance, they also indicate our ambitious planning. This was the main factor which influenced the state govt. to decide and implement structural changes and policy reforms in important sectors. The results of these reforms will be visible in the next two years of the Ninth Plan.

**Outlay, Expenditure and ACA received under EAPs (Rs. In Cr.)**

Period/Year	State's total plan outlay	Outlay for EAPs	Reimb. Amount in EAPs outlay	Actual Expenditure	Amt of ACA received
1	2	3	4	5	6
Seventh plan (1985-90)	11000.00	2306.00 [20.96]	1461.00	1340.00	492.00 [33.68]
Eighth Plan (1992-95)	25543.00	6385.00 [25.00]	5194.00	4487.00	2556.00 [49.21]
Ninth Plan					
1997-98	7163.03	1630.00 [22.76]	1274.00	903.95	721.00 [56.69]
1998-99	10260.00	1825.00 [17.79]	1510.00	869.82	465.00 [30.79]
1999-2000	11400.00	3174.38 [27.84]	2800.00	838.15	429.33 [15.33]
2000-2001	9025.00	2208.86	2055.46	-	-

Note : Figures in parentheses in col 3 are percentages of figures of col 3 to figures in col 2

Figures in parentheses in col 6 are percentages of figures of col 6 to figures in col 4

**Current Scenario**

8. Keeping in perspective the financial and economic restructuring of the state, an outlay of Rs.2208.86 Cr. with a reimbursable portion of Rs.2055.46 Cr. has been proposed in the financial year 2000-2001, for 18 continuing and 17 pipeline projects for the current financial year 2000-2001. A strategy has been prepared for timely achievement of the targets in the continuing projects. Out of the proposals posed to various donor agencies/ countries for various pipeline proposals, projects for Energy, Medical and Health and Fiscal support loan for Finance department of the state have been sanctioned and their agreements have also been recently signed. Apart from these, project proposals for Irrigation, Road and Environment sectors have reached an advanced stage of agreement with the World Bank and other donor agencies. If the pipeline projects are sanctioned, the targets for ACA for the current year can be easily met

with. Table 2 shows the details of sector wise outlay for the current financial year 2000-2001. Project wise details of the outlays for the Ninth Plan and financial year 2000-2001 are at Annexure-1.

**Plan Outlay against major sectors**

Sectors/Sub Sectors	Ninth Plan Outlay		2000-2001 Outlay	
	Total	Reimb.	Total	Reimb.
1	2	3	4	5
1. Economic Infrastructure	6843.48	4620.16	370.15	338.63
1.1 Energy	4351.62	3076.73	307.71	290.71
1.2 Irrigation	47.31	38.20	24.75	19.80
1.3 Roads and Bridges	1559.00	1087.73	12.54	8.00
1.4 Road transport	125.55	97.50	2.50	2.00
1.5 Tourist Infrastructure	400.00	320.00	1.25	1.00
1.6 Additional Source of Energy			21.40	17.12
2. Social Infrastructure	3315.43	2437.98	276.60	223.46
2.1 General Education	621.50	523.00	50.00	40.00
2.2 Technical Education	55.80	47.40	15.00	13.00
2.3 Med & Health and Med. Edu.	129.06	93.53	101.10	81.00
2.4 Water Supply & Sanitation	2509.07	1774.05	110.50	89.46
3 Agriculture, Land Development and Poverty Alleviation				
	1238.61	1008.64	359.61	311.37
3.1 Crop Husbandry	796.80	638.44	100.00	100.00
3.2 Soil Conservation	441.58	370.08	259.61	211.37
3.3 Fisheries	0.23	0.12	-	-
4 Environment & Ecology	2086.74	1634.87	102.50	102.00
4.1 Environment	1718.44	1407.31	2.50	2.00
4.2 Eastern UP Drainage	40.00	32.00	-	-
4.3 Forestry	228.30	195.56	100.00	100.00
5 Finance Department	-	-	1100.00	1100.00
5.1 TA for Economic Reform	-	-	100.00	100.00
5.2 Fiscal reform loan	-	-	1000.00	1000.00
<b>GRAND TOTAL</b>	<b>13024.26</b>	<b>9701.65</b>	<b>2208.86</b>	<b>2055.46</b>

Externally Aided Project : Outlay for Ninth Plan (1997-2002) and for financial year 2000-2001

Sr.	Department / Project	Ninth Plan (1997-2002)		Annual Plan 2000-2001	
		Agreed Outlay		Agreed Outlay	
		Total	Reimb	Total	Reimb
	1	2	3	4	5
<b>I</b>	<b>CROP HUSBANDRY</b>	<b>79680.00</b>	<b>63844.00</b>	<b>10000.00</b>	<b>8000.00</b>
1.1	UP Diversified Agriculture Support Prj (WB IN 3104)	79680.00	63844.00	10000.00	8000.00
<b>II</b>	<b>SOIL CONSERVATION</b>	<b>44158.00</b>	<b>37008.00</b>	<b>25961.00</b>	<b>21137.00</b>
<b>(1)</b>	<b>Agriculture Department</b>	<b>32858.00</b>	<b>28050.00</b>	<b>20188.00</b>	<b>16778.00</b>
2.1.1	UP Sodic land Reclamation Project -I (WB IN 2510)	27390.00	23559.00		
2.1.2	UP Sodic land Reclamation Project II (IDA IN 3152)			20188.00	16778.00
2.1.3	Pilot Project for Usar Reclamation (NI)	1726.00	1498.00		
2.1.4	Integrated Watershed mgt. In ravinous eco system of yamuna in distt. Jalaun and Hamirpur (GERMANY)				
2.1.5	Ravine Stabilisation Project (EEC)	3742.00	2993.00		
<b>(2)</b>	<b>Uttaranchal Vikas Department</b>	<b>11300.00</b>	<b>8958.00</b>	<b>5773.00</b>	<b>4359.00</b>
2.2.1	Bhimtal Int. Watershed Mgt. Proj (EEC)	180.00	118.00		
2.2.2	Doon Valley Watershed mgt. Proj (EEC)	6738.00	6000.00	1987.00	1645.00
2.2.3	Int. Watershed mgt proj II (Shibalik) (WB)			3786.00	2714.00
2.2.4	Kuchgad Watershed Mgt. Proj (EEC)	1542.00	961.00		
2.2.5	Benalgad Watershed Mgt. Proj (EEC)	818.00	508.00		
2.2.6	Agastmuni Watershed Mgt. Proj (EEC)	250.00	200.00		
2.2.7	South of Bhagirathi watershed mgt proj III	1228.00	771.00		
2.2.8	Bhimtal Int. Watershed Mgt. Proj II (EEC)	544.00	400.00		
2.2.9	Eco restoration & development of UP hills (WB)				
<b>III</b>	<b>FISHERIES</b>	<b>23.00</b>	<b>12.00</b>	<b>0.00</b>	<b>0.00</b>
3.1	Shrimp & Fish culture project (WB IN 2329)	23.00	12.00		
<b>IV</b>	<b>FOREST</b>	<b>22830.00</b>	<b>19556.00</b>	<b>10000.00</b>	<b>10000.00</b>
4.1	UP Forestry proj. (WB )	22830.00	19556.00	10000.00	10000.00
<b>V</b>	<b>IRRIGATION AND FLOOD CONTROL</b>	<b>8731.00</b>	<b>7020.00</b>	<b>2475.00</b>	<b>1980.00</b>
<b>(1)</b>	<b>Major &amp; Medium Irrigation</b>	<b>8000.00</b>	<b>6400.00</b>	<b>1875.00</b>	<b>1500.00</b>
5.1.1	National water Mgt project	4000.00	3200.00		
5.1.2	Eastern UP drainage project	4000.00	3200.00		
5.1.3	UP water resource consolidation proj				
5.1.4	Water Sector Restructuring proj			1875.00	1500.00
<b>(2)</b>	<b>Minor Irrigation</b>	<b>731.00</b>	<b>620.00</b>	<b>600.00</b>	<b>480.00</b>
5.2.1	Bundelkhand water resource mgt proj (NI)	731.00	620.00	600.00	480.00
<b>VI</b>	<b>ENVIRONMENT</b>	<b>171844.00</b>	<b>140731.00</b>	<b>250.00</b>	<b>200.00</b>
8.1	Industrial Polution Control Project(WB)	540.00	339.00		
8.2	Strengthening Of Lab For Industrial Polution Control	1304.00	392.00		
8.3	Taj Trapezium(ADB)	170000.00	140000.00	125.00	100.00
8.4	Singrauli Project(WB)			125.00	100.00

## Externally Aided Project : Outlay for Ninth Plan (1997-2002) and for financial year 2000-2001

Sr.	Department / Project	Ninth Plan (1997-2002)		Annual Plan 2000-2001	
		Agreed Outlay		Agreed Outlay	
		Total	Reimb	Total	Reimb
	1	2	3	4	5
<b>VII</b>	<b>ENERGY</b>	<b>434982.00</b>	<b>307563.00</b>	<b>32911.00</b>	<b>30783.00</b>
(1)	<b>Power</b>	<b>434982.00</b>	<b>307563.00</b>	<b>30771.00</b>	<b>29071.00</b>
6.1.1	UP Power sector restructuring proj (WB)	362500.00	250000.00	24921.00	24921.00
6.1.2	Anpara B Thermal Power proj (OECF IDP 88)	19700.00	13400.00	4300.00	2700.00
6.1.3	Anpara Power system Trans. (OECF IDP 65, 108)	52369.00	43750.00	1550.00	1450.00
6.1.4	UP Power project PPF	413.00	413.00		
(2)	<b>Additional Source of Energy</b>	<b>0.00</b>	<b>0.00</b>	<b>2140.00</b>	<b>1712.00</b>
6.2.1	Installation of SPV pumps for Irrigation & drinking water supply in remote areas (JICA)				
6.2.2	Electricity to 100000 household with SPV home lighting system (JICA)				
6.2.3	2MW Landfill Gas Power Project at Iko (JICA)				
6.2.4	Electrification of 500 Remote hill villages by SPV			500.00	400.00
6.2.5	Abatement of green house gases (JICA)			1600.00	1280.00
6.2.6	Electrification of 1 remote village - a model proj			40.00	32.00
6.2.7	Photo Voltaic Pumps in Remote rural areas				
<b>VIII</b>	<b>TRANSPORT</b>	<b>12555.00</b>	<b>9750.00</b>	<b>1504.00</b>	<b>1000.00</b>
(1)	<b>Roads and Bridges</b>	<b>0.00</b>	<b>0.00</b>	<b>1254.00</b>	<b>800.00</b>
7.1.1	State Road Project (WB)			1000.00	800.00
7.1.2	EAP I				
7.1.3	EAP II				
7.1.4	EAP III				
7.1.5	EAP IV				
7.1.6	Third Road Project				
7.1.7	Second road proj (varanasi-shaktinagar) (ADB)			254.00	
(2)	<b>Non-Roadways</b>	<b>12555.00</b>	<b>9750.00</b>	<b>250.00</b>	<b>200.00</b>
7.2.1	UP state transport research & plg. Inst (OECF)	2505.00	1750.00	125.00	100.00
7.2.2	UP Bus Terminal Authority (OECF)	10050.00	8000.00		
7.2.3	Lucknow Kanpur Corridor (OECF)			125.00	100.00
<b>IX</b>	<b>TOURISM</b>	<b>40000.00</b>	<b>32000.00</b>	<b>125.00</b>	<b>100.00</b>
9.1	Budhist Circuit-II	40000.00	32000.00	125.00	100.00
<b>X</b>	<b>GENERAL EDUCATION</b>	<b>62150.00</b>	<b>52300.00</b>	<b>5000.00</b>	<b>4000.00</b>
10.1	Education For All ( IDA 2509-IN)	32150.00	27300.00		
10.2	Education For All -II	30000.00	25000.00	5000.00	4000.00
<b>XI</b>	<b>TECHNICAL EDUCATION</b>	<b>5580.00</b>	<b>4740.00</b>	<b>1500.00</b>	<b>1300.00</b>
11.1	Strengthening Of Tech Edu System (WB IN 2130)	5580.00	4740.00		
11.2	Improvement of Technical Education for Women(WB)			500.00	400.00
11.3	Development of Engg Colleges/Institutes in UP(WB)			500.00	400.00
11.4	Technical Education III (WB)			500.00	500.00



Externally Aided Project : Outlay for Ninth Plan (1997-2002) and for financial year 2000-2001

Sr.	Department / Project	Ninth Plan (1997-2002)		Annual Plan 2000-2001	
		Agreed Outlay		Agreed Outlay	
		Total	Reimb	Total	Reimb
	1	2	3	4	5
<b>XII</b>	<b>MEDICAL AND PUBLIC HEALTH</b>	<b>12906.00</b>	<b>9353.00</b>	<b>10110.00</b>	<b>8100.00</b>
12.1	Basti Hospital (OPEC 509-P)	994.00	903.00		
12.2	SGPGI - Supply of equipment (France)	5150.00	5000.00	110.00	100.00
12.3	Bareilly Hospital	3432.00	1750.00		
12.4	Faizabad Hospital	3330.00	1700.00		
12.5	UP Health sector restructuring proj (WB)			10000.00	8000.00
12.6	Est. of state level hosp in 3 newly created distt (JICA)				
12.7	Est of TB clinics in new distt (JICA)				
12.8	Remaining works of SGPGI - I and phase II (OECF)				
12.9	Est of accident & trauma center (JICA)				
<b>XIII</b>	<b>WATER SUPPLY, SANITATION, HOUSING &amp; URBAN DEVELOPMENT</b>	<b>250907.00</b>	<b>177405.00</b>	<b>11050.00</b>	<b>8946.00</b>
<b>(1)</b>	<b>Rural Development</b>	<b>44696.00</b>	<b>37628.00</b>	<b>6925.00</b>	<b>4846.00</b>
13.1.1	Rural Water Supply Project (DUTCH)	15930.00	13461.00	2.00	0.00
	* Sub Project IV	597.00	506.00		
	* Sub Project VIII	4333.00	3620.00	1.00	
	* Sub Project VI (II addendum)	632.00	536.00	1.00	
	* Sub Project I A	2042.00	1735.00		
	* Sub Project VII	4565.00	3888.00		
	* Sub Project X	2000.00	1700.00		
	* Sub Project XI	1349.00	1146.00		
	* Pilot project for O&M	412.00	330.00		
13.1.2	Rural water Supply & Environment Sanitation (WB)	28766.00	24167.00	6923.00	4846.00
<b>(2)</b>	<b>Urban Development</b>	<b>206211.00</b>	<b>139777.00</b>	<b>4125.00</b>	<b>4100.00</b>
13.2.1	Water supply and sanitation in big towns	184681.00	129277.00	125.00	100.00
13.2.2	Ganga Action Plan	21530.00	10500.00	4000.00	4000.00
<b>XIV</b>	<b>FINANCE</b>	<b>0.00</b>	<b>0.00</b>	<b>110000.00</b>	<b>110000.00</b>
14.1	TA for Economic reform			10000.00	10000.00
14.2	Fiscal Sector Reform & Public sector rest. Prj (WB)			100000.00	100000.00
	<b>GRAND TOTAL</b>	<b>1146346.00</b>	<b>861282.00</b>	<b>220886.00</b>	<b>205546.00</b>

## CHAPTER – 8

### GOOD GOVERNANCE : THE REFORM INITIATIVES

The populous and sprawling State of Uttar Pradesh is well endowed with rich natural resources in the form of vast fertile lands, plentiful surface and ground water resources, forest and livestock resources. In spite of its rich natural resources and vast manpower, the State of Uttar Pradesh continues to be among the less developed states in the country in terms of socio-economic indicators.

2. U.P. lags behind most of the major States in terms of the level of infrastructure facilities. With respect to electricity, roads and irrigation, U.P. is far behind the faster growing States like Punjab, Haryana, Gujarat, Maharashtra and Karnataka. Not only is the economic infrastructure inadequate but it is also of poor quality. Over the years, the relative gap in infrastructure between the developed States and U.P. has widened.

3. In terms of social indicators too, the situation is far from satisfactory, with U.P. among the bottom in the list of Indian States. The fertility level is the highest in India at 4.8, affecting both population growth and the health of women and children. The infant mortality rate is 85 per 1,000 compared to 72 per 1000 for India as a whole. The demographic situation presents a worrisome picture.

#### **Reasons for poor economic performance**

4. The general economic backwardness and the slowing down of the development process can be attributed to many factors, chief among them are: (I) Inadequate and poor quality of infrastructure, especially power supply shortages, reflecting the low level of investment in the economy over the years, both in the public as well as in private sectors, (ii) inadequate and ineffective spending on education and health resulting in a low level of human resource development and (iii) frequent changes in the government, In fact, all these factors are inter-related.

5. The failure of the State Government to maintain the desired level of public investment in infrastructure and social services can be traced to the deteriorating situation of the State finances since the early eighties and to the increased political instability in the 1992-97 period. The mounting revenue expenditure of the State Government on staff salaries, pension, interest payment and subsidies have forced a squeeze in its capital and maintenance expenditures. The capital expenditure which was around one third of total expenditure in the early eighties has come down to below one fifth in the nineties. Similarly the ratio of plan expenditure to total expenditure has also sharply come down from around two fifths to one fifth,

reflecting the decline in expenditure flexibility. The composition of plan expenditure itself has shifted in favour of current expenditure at the cost of capital expenditure. The efficiency of public spending has declined.

6. The slowing down of public investment has had its impact on the pace of private investment in the State. The declining credit-deposit ratio and the share of loans and advances by the national financial institutions is one reflection of the showing down of economic activity in the State. The low level of human resource development reflects substantial under-investment in education and health services in the State. This causes great deprivation to large masses of people. It restricts their capabilities to benefit from the limited opportunities available to them, on the one hand, and lowers the growth potential of the state economy due to low productivity levels, on the other.

7. U.P. has been caught in a vicious circle. The fiscal, governance and infrastructure problems have fed into each other. Slow economic growth has made increasing the revenue yield difficult. Poor governance has further lowered the revenue performance. Financially weak infrastructure sectors have placed a massive burden on the state exchequer. The fiscal stress caused by the setting of tariffs well below cost-recovery levels has been added to by the deepening culture of non-payment of customers to public utilities. The fiscal crisis has prevented the state from investing enough to provide the foundation for growth and lift social indicators to acceptable levels.

### **Fiscal Crisis**

8. U.P is facing an adverse fiscal situation. From a revenue surplus of Rs. 250 crores in 1987-88, the State now has a large and rising revenue deficit, which reached Rs. 8696 crores in 1998-99. Revenue Deficit as a percentage of Revenue Expenditure, which represents the proportion of operating costs that are financed by borrowed resources, reached 33% in 1998-99. Instead of using revenue account surpluses to partially finance public investments, as is the financially prudent course, the Government is making future generations pay for current operating costs.

9. The adjusted gross fiscal deficit reached Rs. 11341 crores or 7.5% of estimated GSDP in 1998-99. As a result of high and continued deficits, running for more than a decade, indebtedness of the State has risen sharply. The stock of debt is as high as 35% of GSDP, while interest payments constituted 35% of the total revenue receipts in 1998-99. Some of the other important dimensions of the fiscal crisis are as follows :

1. Revenue (recurring) expenditure has reached over 150% of revenue receipts in the State.
2. Interest payment as percentage of total revenue expenditure has gone from 14% in 1986-87 to 19% in 1998-99.
3. The average tax rate in UP is only 50% of the level in the middle income States. Since tax compliance in the State is relatively poor, the actual tax revenue realised is almost one-fourth in comparison to these States.

4. Expenditure on salary and allowances and pension of regular government servants is estimated to have reached 40% of the State's total revenue in 1999-2000; along with interest payments, they would amount to 75% of revenue.
5. Capital expenditure and net lending has come down from 22% of total expenditure in 1987-88 to 7% in 1997-98.
6. The ratio of development & non-development expenditure in total revenue expenditure has come down from 67 : 33 in 1986-87 to 53 : 44 in 1998-99.
7. While the salary of class III and class IV employees has increased by nearly 75 and over 100 times, respectively, between 1964 and 1998, user charges have actually declined in some areas.
8. In the 50 Public Sector Units, the total investment of State Government was to the tune of Rs. 13127 crores till January 1997 but the returns received against these investments were negligible.

### **Medium-Term Fiscal Framework**

10. Recognizing the unsustainability of prevailing trends, the State Government has decided to launch a medium-term fiscal reform strategy to achieve the following outcomes : (a) stabilization of the debt to GSDP and debt servicing to revenue ratios, so that these ratios are on a declining trend by 2004-05, (b) improving the composition of public spending to enhance its developmental impact and (c) reforming the tax system to improve efficiency in resource allocation. In order to stabilize the level of its debt and debt service ratios over the medium-term, the Government of U.P will need to eliminate the primary deficit (the gap between revenue and non-interest expenditure) and turn it into a surplus by 2003-04. The gross adjustment will have to be greater, to enable the state to meet the *upfront cost of reforms* (including the cost of restructuring power and other PEs) and increase its spending on infrastructure and human resources, while at the same time reducing the deficit.

11. The Government's medium-term fiscal reform strategy aims at to reduce the fiscal deficit from 7.5% of GSDP in 1998-99 to about 4% by 2003-04 and to 3.3% by 2004-05. Over this period, the primary deficit of 3.5% in 1998-99 is targeted to turn into a surplus of about 1% of GSDP, while the state's own tax revenues are projected to rise from 5.4% of GSDP to 7.9%.

## Medium – term Fiscal Framework

	(% GSDP)				
	1998/99	1999/00 Est	2000/01 Proj	2003/04 Proj	2004/05 Proj
Revenue	11.9	14.0	15.2	15.7	16.0
State's Own Revenue	6.4	7.4	7.5	8.6	8.9
Tax	5.4	6.2	6.5	7.6	7.9
Non-Tax	1.0	1.2	1.1	1.0	1.1
Central Resources	5.5	6.6	7.7	7.1	7.1
Expenditure and Net Lending of which:	19.8	21.5	22.4	20.0	19.6
Interest	4.5	4.7	4.8	4.7	4.6
Salaries /a	4.6	4.6	4.6	3.9	3.7
Pensions	1.2	1.3	1.2	1.3	1.4
Major Non-Merit Subsidies	1.4	1.2	1.0	0.7	0.6
Cost of PE Retrenchment	0.0	0.0	0.1	0.1	0.0
High Priority O & M	0.5	0.7	0.9	1.1	1.6
Capital Outlays	1.4	1.5	2.0	2.2	2.5
Gross Budget Support to Power Sector	0.8	1.0	1.4	0.9	0.4
Unadjusted Fiscal Deficit	(-) 7.9	(-) 7.5	(-) 7.1	(-) 4.3	(-) 3.5
Adjusted Fiscal Deficit	(-) 7.5	(-) 7.0	(-) 6.0	(-) 3.9	(-) 3.2
Non-Power Deficit	(-) 6.7	(-) 6.0	(-) 4.6	(-) 3.0	(-) 2.8
<b>Memo :</b>					
GSDP (Rs. crores at current prices)	146325	161691	177489	238743	265045
Debt Stock/GSDP	34.7	37.3	40.3	41.8	40.6
Interest/Revenue	34.6	30.8	28.2	28.0	26.7
Revenue Deficit/GSDP	(-) 5.9	(-) 5.0	(-) 3.9	(-) 1.1	(-) 0.8

/a Refers only to salary of regular government employees.

12. In the absence of the reforms, the state's financial crisis would further intensify leading to a near collapse of development expenditures and a slow down most of the government's operations and social service provisions. The vicious circle would continue and the per-capita income of the state would stagnate. Even though the fiscal deficit is limited by the borrowing capacity of the state, exhausting the borrowing capacity in conditions of economic stagnation would lead to an explosive growth path of the debt/GSDP

ratio ; this ratio is projected to rise under the No Reform Scenario from 34% in March 1999 to 51% by March 2005.

13. Under the Reform Scenario envisaged by the Government of U.P, the additional public investments in infrastructure and human capital, improvements in governance and the policy and institutional climate, and reforms in critical sectors including power, are together expected to “crowd in” private investment and gradually raise the rate of economic growth as the reforms take hold over the medium term, thereby beginning to reverse the trend of widening gap between UP and the rest of India. The fiscal, governance and sector reforms will lead to the creation of additional fiscal space and enable the State to sustain higher levels of public investment and non-wage operation and maintenance (O&M) in irrigation, roads and social services as well as to improve the quality of services rendered.

14. The key effects of the proposed reforms on the State’s fiscal situation include: (I) a significant increase in resource mobilization through increases in the state’s own taxes and cost recovery for public services provided by the state; (ii) substantial improvement in the composition of expenditures through increases in spending on high priority developmental expenditures along with significant reductions in unproductive expenditures such as subsidies (particularly through reforms in power and irrigation sectors), wages and salaries (through civil service reform) and those related to losses of public enterprises (through PE reform and privatization). Under this scenario, the debt-to GSDP ratio and the debt service-revenue ratio would both begin to decline over the medium-term. The government would regulate and control the issuing of guarantees through the levy of guarantee fee, requirement of escrow arrangement (set aside fund) and adopting a ceiling on outstanding guarantees, after studying the various options proposed by RBI. Outstanding guarantees will remain below 3% of GSDP over the medium-term, excluding those that may be issued to support the financial restructuring of the power sector.

15. The medium-term fiscal framework of the reform scenario is based on assuming a 6% rate of annual inflation and 11% interest rate on new loans in future years. The reforms and improved targeting and quality of public spending, along with the induced higher level of private investment, are projected to raise the rate of economic growth from the current level of about 3%-3.5% to around 5% by 2004-05.

16. The Government of Uttar Pradesh expects, as a result of the implementation of the medium-term fiscal reform policies, the Fiscal Deficit of the State to decline not only in proportion to State income, but also in absolute rupee terms. Adding principal repayment obligations, the gross financing requirement will remain in the range of around Rs.12000-12500 crores in each of the next 5 years. The plan is to reduce over the medium-term the share of financing from the most expensive sources, such as small savings loans and market borrowing, while enhancing the share of project financing by external donors. In the initial years of the reform programme, the State would need extraordinary financing, from the Government of India and from external donors, to enable financing of the up-front costs of reforms, including PE reform and Power Sector restructuring, and to adequately protect High Priority Development Expenditures. Such extraordinary financing is projected to be phased out in the later years, as the reforms yield additional revenue and expenditure savings.

## Revenue Enhancement Strategy

17. The State's own revenue to GSDP ratio has been hovering around 5%-6% over the last several years. The Government is determined to raise this ratio to over 8% by 2002-03 and close to 9% by 2004-05, through reforming the tax system, introduction of new taxes and strengthening the cost recovery efforts in the irrigation, power, transport, education and health sectors.

18. **Trade Tax Reform** : Evasion of the state's first point sales tax, called the UP Trade Tax, the state's biggest tax instrument, is estimated to be as high as 40% of the revenues being collected. The Trade Tax Department (TTD) has identified the main forms of evasion and initiated short-term measures to combat each form of evasion. This short-term strategy is focused on reducing tax evasion through stricter enforcement of the law and effective use of information collected at the state's border check posts. At the same time, the Government has recognised the need to develop a medium-term strategy for reforming and modernising the sales tax policy and administration. The medium term goal of trade tax reform is a more simple and modern tax system which will lead to improved voluntary compliance, reduced opportunities for lengthy legal disputes or taxpayer harassment, and improved climate for private sector growth. The medium-term strategy would consist of the following sequence of steps:

- Implementation of floor rates to rationalise the Trade Tax, in accordance with agreement among all States;
- Rationalisation of tax incentives to ban any new tax holidays or deferral ;
- Amendment of the Trade Tax Act to strengthen the anti-evasion drive by curbing undervaluation of goods, non-registration of dealers and to prevent unnecessary delays and curb frivolous appeals ;
- Reduction in the number of Trade Tax rates from 11 to 5, in line with Phase I of the recommendations of the government commissioned Report by the Institute for Social and Economic Change, Bangalore ;
- Computerisation of existing business processes on pilot basis ;
- Improved staff training and recruitment ;
- Implement external audit of the Trade Tax Department on a sample basis by an external professional auditing firm;
- Make officials of the Trade Tax Department subject to Vigilance supervision and require all tax officers to make an annual declaration of their family assets ;
- Further rationalisation of Trade Tax rates and commodity classification, in line with Phase II of the recommendations of the government commissioned Report by the Institute for Social and Economic Change, Bangalore ;
- Scaling up of computerization ;
- Business process re-engineering ;
- Introduction of Self-Assessment and modern IT-based Audit procedures (start in 2002-03 and complete in 2003-04);

- Amendment of Trade Tax Act in preparation for VAT (2003-04); and
- Introduction of VAT (2004) ;

19. **Motor Vehicle Tax Reforms:** In November 1998 the Government of U.P brought into force a number of reforms. A presumptive design was adopted for buses to minimise opportunities for evasion. The Act was revised to convert the lifetime levy on personal four-wheel vehicles from specific to *advalorem* rates. The State plans to

- Further revise the rates applicable to the presumptive base of the passenger bus tax, which is currently defined in terms of seats and hence lacks buoyancy, by at least 10% (1999-2000);
- Amend the Act again to enable the rates to be revised annually through Government Orders (1999-2000); and
- Revise rates annually, starting in 2001-2002.

20. **Stamp Duty and Registration:** In order to create a more transparent system for the determination of stamp duty liability, to ensure fair administration of stamp duties and registration fees, and to adequately conserve property conveyance records for the future, the State plans to

- Modernise property valuation determination using standardised objective characteristics and computerised administrative procedures (starting 2000-2001);
- Introduce appropriate scanning technology for the storage of registered conveyance deeds in two Tehsil registry offices, on a pilot basis and
- Expand the scanning and storage of stamp duty and land registration system state-wide

21. **User Charges:** Towards improving the rate of cost recovery from public provision of private and semi-private goods and services, the Government will implement a programme of phased increase in user charges pertaining to power, irrigation, higher education, specialised hospital services and other selected economic and social services. The medium-term strategy would consist of the following steps :

- Upward adjustment of power tariffs as recommended by the Electricity Regulatory Commission
- Upward adjustment of canal irrigation rates to double the rate of cost recovery from 9% to 18% ;
- Revision of fees in engineering, medical, other colleges and secondary schools to double the rate of cost recovery from 6% to 12% ;
- Double cost recovery from hospital and veterinary services ;

### **Expenditure Reprioritization Strategy**

22. Over the medium term, government spending will need to be increased in both absolute and relative terms on elementary education, primary and secondary health care, high priority investment and maintenance including irrigation system rehabilitation and strengthening of roads. This will be possible



only if government spending is significantly reduced on subsidies, on wages and salaries and on budget support to loss making enterprises.

23. The strategy to reprioritize expenditure will have the following key elements :

- (a) The total number of government employees/officers would be brought down by at least 2% every year for the next 5 years, to achieve a reduction of at least 1 percentage point of GSDP in the salary bill;
- (b) Comprehensive plan to reduce non-merit subsidies and transfers – including those for higher education, professional education, urban water supply and urban hospitals –to bring them to the bare minimum level of no more than 0.5% of GSDP by 2004-05 ;
- (c) Reform of pension and provident fund based on the recommendations of a study to be commissioned in 2000-2001.

### **Expenditure Management Reforms**

24. Expenditure Management Reforms, along with Financial Management Reforms, will improve and modernise the processes of planning and budgeting, accounting and audit, monitoring and evaluation of programme performance and outcomes.

25. As a result of recent initiatives such as the computerisation of treasury transactions, the Government of U.P has already begun to strengthen the efficiency of cash management and to prioritize the release of scarce funds so as to protect the high priority developmental items in the expenditure budget from resource shortage. Over the next two years, a suitable Medium Term Expenditure Framework (MTEF) will be designed and developed to ensure (i) a realistic resource framework for budgeting ; (ii) linking resource allocation to sector priorities and policies, consistent with the medium-term fiscal framework ; (iii) financial sustainability and timely economic and social returns from ongoing projects, (iv) adequate allocation and attention to operation and maintenance of existing assets and (v) ensuring that borrowed resources are used only for financially viable investments that yield returns adequate to service the debt incurred.

26. The medium-term strategy of expenditure management reform would consist of the following sequence of steps :

- Begin implementation of strategy to protect high-priority developmental expenditure ;
- Improve the timely availability of financial management information through effective use of computerised treasuries ;
- Finalise and begin piloting a suitable MTEF for planning and budgeting within a realistic resource envelope ;
- Fully implement the MTEF in the context of preparing the budget for 2002-2003 ;

- Achieve full computerisation of budgeting, expenditure management and accounting by 2002-2003.

### **Fiscal Correction in 1999-2000**

27. The Government of U.P has begun to implement the medium-term fiscal reform strategy in the current year. The 1999-2000 Budget emphasised the need for financial discipline as a measure of development strategy. The Budget speech recognised the need, on the one hand, for measures to augment financial resources and productive investments, and on the other hand, measures to save on unproductive expenditures so as to improve the composition and effectiveness of public spending and at the same time reduce the deficit.

28. During the current year 1999-00, the Government of UP expects to reduce the adjusted fiscal deficit from 7.5% of GSDP in 1998-99 to 7.0% in 1999-00. This reduction is being achieved on the one hand by higher revenue collections and on the other hand by compressing recurrent expenditures. As a consequence, the ratio of revenue deficit to revenue expenditure, a measure of the proportion of operating expenses financed by borrowed resources, is expected to go down from 33% in 1998-99 to 26% in 1999-2000. The Government has developed and is implementing a Contingency Plan to fulfill these targets in the event of unforeseen revenue or financing shortfalls.

29. The State Government has already taken the following measures :

#### **Revenue Measures**

- Entry tax has been levied on three commodities with effect from 1.11.99. It is expected to fetch Rs.50 crores during the remaining months of the financial year. Coverage will be extended to two more commodities including tobacco;
- Intensive drive has been launched to recover the arrears of Government dues;
- Surveys of establishments that remain outside the tax net have been started by the Trade Tax Department;
- Rules for house tax revision have been notified on 16.6.99;
- Floor rates for the trade tax have been implemented, and a study has been initiated for further rationalisation to reduce the number of rates to no more than five;
- The costly and unproductive trade tax incentives for new investments have been abolished;
- A committee has been constituted under Chief Secretary to examine all proposals to increase cost recovery; and
- A legal amendment has been enacted to enable the Government to make annual revisions in motor vehicle tax rates through executive orders.

#### **(ii) Expenditure Saving Measures**

- Abolition of leave encashment facilities for Class I and II employees;

- (b) Ban on foreign travel;
- (c) Ban on air-travel by certain categories of officers.
- (d) Freeze on selective basis the grants-in-aid to the secondary and higher secondary schools, degree colleges and universities at the 1998-99 levels;
- (e) Ban on creation of new posts and non-filling of vacant posts.
- (f) 7000 posts lying vacant for more than a year have already been abolished and the task of abolishing another 8000 identified posts is underway;
- (g) Ban on inducting new educational institutions on grants-in-aid list; and
- (h) Government has initiated a study to quantify the amount of subsidy being given for various schemes through the budget so as to reduce explicit subsidies and phase out those that can no longer be justified on economic or social grounds.

30. The above measures are expected to result in significant expenditure saving. Downsizing the civil service by at least 2% through attrition will result in saving of roughly Rs. 100 crores. The freeze on secondary and higher education subsidy at the previous year's level will result in savings of about Rs. 107 crores.

### **(iii) Expenditure Management and Control**

- (a) The practice of transferring unspent amounts at the end of the year to Personal Ledger Accounts, thereby inflating the accounted expenditure and weakening expenditure management, has been terminated;
- (b) Treasury transactions are being computerized, to improve the government's information system and cash flow management during the year (About 90 percent of the treasuries in the state have already been computerized);
- (c) Treasuries have been instructed to give priority, in clearing bills, to (a) resource linked projects and programs including centrally sponsored and externally aided schemes, (b) non-wage operation and maintenance ; and (c) those state funded projects that are close to completion (i.e. where over 75% of total project cost has been spent);
- (d) The call letter for 2000-2001 budget preparation made it compulsory for all the departments to review their ongoing schemes with a view to close the unproductive schemes.
- (e) Introduced a new system of reporting of time and cost over runs and stricter requirements for new project starts;

### **Further Fiscal Correction in 2000-01**

31. Consistent with the medium-term fiscal framework, the budget for 2000-01 will aim at a further reduction in the fiscal deficit by 1 percent of GSDP, even while enhancing the allocations for high priority development expenditures by at least 0.5% of GSDP. This will be achieved through further containment of non-developmental spending and increased tax yield, mainly through base broadening and improved

compliance. As in 1999-2000, the Government will prepare a Contingency Plan to compensate for unforeseen developments.

### **Expected Outcome by 2004-05**

32. As a result of continuing with the implementation of the envisaged multi-year fiscal reform programme during the period 2000-05, additional fiscal space will be created, expenditure composition will improve and high priority additional investments and social sector spending will be undertaken. At the same time, the State's finances will be stabilised; both the debt-to-GSDP and debt service-to-revenue ratios will be on a declining trend by 2004-05. A notable aspect of the fiscal reforms, accompanied by governance reforms and sector reforms, will be the high return on public sector spending in the areas of infrastructure and human resources. There will be a "crowding in" impact whereby additional public sector investments and improved service delivery will induce greater private investment by increasing the productivity of the latter.

### **Strategy For Strengthening The Systems Of Financial Management And Accountability**

33. Government of Uttar Pradesh is committed to providing honest, effective and responsive and accountable administration with strong institutions dedicated to better accountability at various levels. With a view to achieving the above objective, Government of Uttar Pradesh proposes to initiate and implement institutional capacity building using participatory approaches for designing and formulating action oriented plans for more effective Legislative scrutiny, Financial Management and control Architecture and for Audit and Evaluation functions. Specific steps that will be required to be taken are listed as under:

#### **Facilitating More Effective Legislative Scrutiny:**

34. A National level Conference on "Parliamentary Control of the Public Purse" will be organised in consultation and with the approval of Speaker of the Legislative Assembly so as to allow interaction among public representatives, civil servants, the controller and Auditor General of India, Media, Civil Society and persons with international exposure. The purpose of this conference is to formulate a national consensus and follow up measures on ways to strengthen legislative scrutiny.

#### **More robust Financial Management and Control Architecture**

- (a) Appoint a "Controller" who would provide leadership in modernizing the system of Financial Management including internal controls, accounting and management information systems across at the State. It is envisaged that technical assistance will be required for defining the role, organizational structure, and preparing detailed implementation plans for modernizing the Financial Management System. In due course, it can be expected that, the related work currently carried out by the Accountant General (

Accounts and Entitlements) in consultation with Govt. of India and Comptroller and Auditor General of India.

- (b) Enhance the State's treasury function of converting the treasury offices into Integrated Pay and Accounts Offices (IPAO) who could also be responsible for preparation of salary bills, and remitting cheques is expected to be completed in the fiscal year 2000-2001. As a medium term measure, separate district level pay and accounts offices for major departments can be expected to be established apart of the IPAO.
- (c) The Government has taken a decision that all the departments shall be required to publish an annual report outlining their objectives, activities, costs and actual achievement. These reports are expected to be used friendly, timely and aimed at making available information to all state holders on the performance of individual government departments.
- (d) The Government has constituted a task force to recommend the form and content of periodic and financial statements to be published. This task force will finalize its recommendations in the current fiscal year. The task force will also monitor the progress made on implementing the actions listed.
- (e) Conduct a feasibility study for introducing a more results based management to assist all departmental Secretaries in achieving the intended results, manage risks and develop sound performance measurement and reporting systems.
- (f) Conduct a feasibility study for introducing and appropriate form of accrual accounting for management purposes and budgeting in the next financial year.
- (g) Initiate steps required to modernise the existing state finance and accounts cadre. This will involve review and implementations of new service rules including entry criterion and training in modern financial management.
- (h) Abolish the practice of year-end transfers of unspent budgetary allocations into the Personal Ledger Account (P.L.A) to avoid lapse of allocation of a department.

### **More Effective Audit and Evaluation functions**

35. The mechanism for independent auditing of the State's accounts is defined in the constitution of India and is carried out by the CAG. The State Government also has two audit directorates (to cover cooperatives' local bodies and certain local funds) as well as an "internal audit unit" in certain line departments.

- (a) Appoint "State Internal Auditor" and initiate measures to strengthen and consolidate the internal audit function across the State. The appointment of the "State Internal Auditor" will take place in the current fiscal year.
- (b) Implement the fules for ensuring timely response from heads of offices to the observations included in the C & AG audit report. This step will be undertaken in the current financial year.
- (c) Initiate dialogue with the C & AG on ways which the C & AG's audit can further assist the Government of Uttar Pradesh reform efforts.

## Reforms In Governance

36. The 1998-99 Budget presented in the Legislative Assembly of Uttar Pradesh addressed the State's fiscal situation and underscored the need for financial discipline as a critical factor in the development strategy of the State. Recognising the mutual relationship between fiscal crisis and economic stagnation, the State Government delineated a strategy to increase the pace of development and committed the Government to a far reaching program of public sector reform. This is in accordance with the recommendations of the Conference of Chief Ministers held in May, 1997, which discussed in detail an action plan for effective and responsive Government at Centre and the State levels.

37. Some of the factors that impinge negatively on economic growth in UP are:

- infrastructure bottlenecks, especially in the power sector,
- low level of human development,
- high fiscal deficits forcing the State to resort to debt financing,
- public sector that is over stretched and unable to discharge all of its responsibilities effectively,
- weak governance, which manifests itself in poor service delivery, excessive regulation and uncoordinated and wasteful public spending, and
- inadequate transparency, accountability and integrity of the public services.

38. Infrastructure bottlenecks act as both a drag on existing investments and a deterrent to new investment, in which the State risks being bypassed. Power supply is unreliable; illegal connections, non-payments of bills and other leakages result in heavy utility losses which drain the budget. Food production and living standards are stagnant or declining for many poorer groups in the State.

39. The State is unable to collect its revenues efficiently. It imposes less tax than the potential. The ratio of trade tax to GSDP is 2.8%, which is the lowest in the country. On the expenditure side, the State is disproportionately burdened with salaries and pension payments and poorly targeted subsidies which crowd out capital expenditure. If we add the debt servicing component, very little is left for operations and maintenance of existing infrastructure. The growing unproductive expenditure of the State is impeding the growth prospects of the State.

40. Any strategy to improve the quality of governance and the effectiveness of public institutions in the State will need to have multiple components. First, a redefinition of the role of Government is required, specifically a reduction of its role in the economy through deregulation and divestment is needed, so that it is able to focus its limited capacity on those areas in which it has a core concern. Second, Government also needs to become more transparent and accountable to the general public, by making more information on policies and programmes available, by strengthening grievance eliciting and redressal mechanisms, and by combating corruption. Third, a programme of civil service renewal is required so that the government can better perform its core functions. This will require restructuring departments,

“rightsizing” staffing levels, improving the work environment, emphasizing performance, and increasing capacity through a more strategic approach to training. Fourth, decentralisation will have to be designed so that significant gains in service quality and accountability could be achieved through well-planned devolution of spending responsibilities and revenue raising powers to elected local bodies. Fifth, public participation in governance will have to be structured by involving Non Governmental Organisations, who could also exercise delegated voluntary functions. Sixth, financial management reforms will also need to be integrated so as to improve financial accountability and provide managers with the information they need to improve performance.

41. Overall, the role of the State Government will progressively change, with less emphasis on direct provision of goods and services and more on setting policy, contracting out, mandating, regulating, facilitating or financing economic and social services through the private sector. There are two major thrusts to the Government’s effort to redefine government: deregulation and divestment.

42. **Deregulation:** According to one estimate, 30 Departments are administering 349 State and Central Government Acts. In addition there are 268 Rules and 78 Regulations/Orders, many of which have been issued under the authority vested in the Government of Uttar Pradesh by various Central Acts. Much of this regulatory framework dates back to an era of control and intervention which is now seen as a source of unacceptable efficiency costs on the State economy. Regulations impose a heavy burden on enterprises. The distortions that are created make the economy less responsive, and private investment is deterred. Indirectly the poor and disadvantaged sections of the population are affected in terms of their access to education, health care, and nutrition.

43. Departments will review all laws, rules, regulations and orders administered by them. They will specify amendments to legislation, indicate the regulations they intend to retain, amend or drop. Laws & regulations that are retained will justify themselves on criteria of efficiency, equity and simplicity. The State Government will ensure that with the introduction of market forces, the poor must not be denied access to basic minimum services; and that regulations should be readily understood, unambiguous in their application, and straightforward to implement.

44. The process of de-regulation will entail the following :

- The repeal of old and dysfunctional legislation.
- Unification and harmonisation of statutes and regulations.
- Revision of procedural law and dispute resolution methods.
- Scrutiny of subordinate legislation and procedures of government agencies.
- The design of new regulations consistent with economic and social reform goals.
- Clarification of the interface with Central legislation, and elimination of contradictions and overlaps.
- Compliance with applicable international conventions and World Trade Organisation (WTO) obligations.

- Simplified administration based on IT enabled information, reduced forms and returns, integrated processing of matters involving inter-departmental concerns, and where appropriate, the introduction of sunset clauses.

45. A high powered Deregulation Committee has been set up to coordinate this work. Over the coming year it will work closely with the concerned departments, their planning cells and senior managers, to review existing laws and regulations. It will examine the continuing relevance of the underlying policy that gave rise to the regulations, and make recommendations beginning by 2000/01 on proposals for their scrapping or reformulation so that they are consistent with economic goals. In performing this task, the views of business, NGOs and civil society will be actively solicited.

46. **Divestment:** The UP portfolio of State Level Public Enterprises (SLPEs) consists of 42 main enterprises, registered under the Companies Act 1956 and 8 corporate bodies established under various statutes. The SLPE performance has been below expectations. Instead of augmenting Government resources, executing developmental works in a cost-effective manner and spearheading development, they have been a constant drain on the exchequer. Generally, they operate in areas of the economy where private entrepreneurship is likely to produce better outcomes. State monopolies are typically among the worst performing, and their staff are often perceived as rent seeking. In the ultimate analysis, divestment is expected to result in budgetary savings in the medium term.

47. The state government is committed to take the following steps:

- Issuance of policy on PEs indicating divestment from commercial activities or from areas where the private sector already operates;
- Establishment of implementation framework such as Divestment commission for the divestment programme.
- Closure and/or divestment of selected enterprises, with the first phase completed by March 2001 and the remaining PEs completed by March 2004.
- Ensuring a safety net for displaced employees.

**Public Sector Enterprises already closed/divested or expected to be closed/ divested by 31 March 2001**

- UP State Mineral Development Corporation,
- UP Instruments Ltd.,
- UP Pashudhan Udyog Nigam Ltd.,
- UP Cement Corporation,
- 11 units of UP Sugar Corporation,
- 5 units of UP Textile Corporation.



## Civil Service Renewal

48. In the area of civil service reform, the Government faces three critical challenges. It must enhance the productivity of the civil service and make certain that each employee is performing socially relevant tasks. It must ensure the long-term affordability of the civil service, and it must enforce procedures for rewarding and promoting merit, disciplining malfunction and misconduct, to strengthen accountability and performance quality.

49. First, it must deal with the immediate fiscal consequences of an excessive wage bill, exacerbated by the salary awards consequent to the Fifth Pay Commission. Salaries and pension payments (excluding the salary components of grants to aided schools) together added up to Rs. 100.67 billion or 6.3% of GSDP in 1999-2000, which is nearly equal to the state's tax revenue. Actual compensation figures are even higher, due to the presence of large numbers of casual and work charged employees and the fact that many senior employees receive housing, electricity, phone, etc. that do not show up as part of their compensation package. Over 75% of total state revenues are currently being spent on salaries and unfunded pensions; together with interest payments, the State has exhausted the total revenue in 1998. At the same time, allocations to non-wage operating costs have been severely squeezed, resulting in a decline in maintenance and efficiency standards. In other words, the expenditure flexibility of GoUP has been reduced to a bare minimum.

50. The second challenge is to reshape the civil service to bring about and meet the demands of a redefined role for the government in the economy. It will focus on core public functions and develop new ways of ensuring that critical economic and social services are provided directly or indirectly or in partnership with communities and the private sector. This will entail the introduction of a new work culture - not only in managers and professionals positioned at headquarters but also in field staff at the cutting edge of service delivery in decentralized units. The resulting civil service is likely to be markedly different to what exists now: with more contracting out of services than at present, an appropriate skills mix, lower overall numbers over time, more responsive to the needs of clients, more productive, and with a greater emphasis on accountability for the results of their actions.

51. Controlling the wage bill is an immediate issue; changing functions and making the civil service more performance oriented will be a continuing preoccupation of the government for many years to come. Over the years, with the increase in services, the number of civil servants has increased considerably. There are about 940 thousand civil servants under direct employment of the government and 243 thousand employed in Public Sector Enterprises.

52. In order to establish effective control over the growth of the salary bill in the short term, the Government will have to

1. ensure global reduction of at least 2% per year till the year 2004,
2. install a reliable system of timely information on the number of employees and vacancies, by category and department,

3. undertake downsizing/ rightsizing programmes in each category of the Departments through intensive internal reviews; identify redundant posts and personnel to be retrenched/ re-deployed,
4. The State Government constituted the Policy Planning Cells in most of the Departments to undertake in consultations with external experts a strategic in-depth functional review and determine workloads, positions and skills, with the goal of streamlining operations, improving the ratio of front-line staff vis-à-vis support staff, and significantly increasing the number of functions that are privatized and/or contracted out,
5. The State Govt. established a Core Group and a Technical Working Group under the Chief Secretary to help conduct inter-departmental functional reviews and monitor the rationalization and restructuring of the departments, various agencies and organizations, with the objective of improving the effectiveness of service delivery and making them consistent with Indian and international norms.
6. develop and implement appropriate organizational performance indicators for all departments starting by 31 December 2001,
7. set-out clear sectoral objectives in the process of devolution of funds and ensure appropriate and effective control of the elected local bodies over functionaries,
8. encourage innovations in the way departmental functions are discharged by issuing certificates of merit, letters of commendation and other appropriate mechanisms for recognition and reward,
9. post competent, innovative and energetic civil servants who are favorable to reforms, to head key units and agencies and ensure good managers are retained long enough in their posts to implement the required transformations,
10. make special efforts to recruit and ensure training for women candidates as per existing government policy to give 20% reservation.
11. integrate progressively the management of the wage bill into the broader task of redefining the role of government, adjusting staffing levels, and bringing policies and programmes in consonance with the resources indicated in the medium-term fiscal framework of the reform programme of the State.

### **Human Resource Management and Development**

53. Renewing and modernizing the Uttar Pradesh civil service will entail upgrading information systems, strengthening meritocracy and managerial authority, substantial investments in new skills, retraining and inculcation of new work habits and attitudes. This requires that a much more strategic approach be taken to several important aspects of human resource management and development.

- Establishing a computerized human resource database, so the Government of U.P. can immediately produce accurate and timely information on the size and composition of the civil service;

- Civil service terms and conditions will be reviewed in comparison with global and Indian best practice to identify options for greater flexibility in rightsizing and redeployment
- Adoption of best practices to provide greater stability in tenure for senior civil servants,
- Publicize transfer policy and initiate annual monitoring and compliance,
- Annual Confidential Report process to be evaluated to improve its effectiveness,
- Training for All, including civil servants of all levels, is the declared national policy. In line with this policy a State Training Policy has been conceptualized and adopted.
- **Induction** - professional and in-service training to be made compulsory for each civil servant. The provision to this effect will accordingly be made in the various service rules governing civil services.
- .Secretariat Training Institute will have to be strengthened.
- Computer skills and the use of information technology will be given priority.

54. At the same time, the Government fully understands that effective capacity building requires that increased supply of training be matched by demand on the part of departmental managers and heads of agencies for better skilled staff. This demand will build, as the environment within the public sector progressively emphasizes accountability for performance. *Each department will design its own training programme and fund it with 1% of the salary budget.*

## **Financial Management**

### **Financial Management System**

1. Sound financial management is essential for good governance. Financial accounting and internal auditing systems are at the heart of good financial management. The Govt. of U.P. long established accounting system was designed to focus on bookkeeping and expenditure control in relation to budgeted grants, rather than supporting financial management. Since the responsibility for accounting and compilation rests with the Accountant General (AG), the departments have not developed any reliable and useful management accounting systems. The State Government is placing strong emphasis on the need for improved financial management across all Departments. This is seen as a critical foundation for managing public expenditures for efficient and effective outcomes.
2. The State Government, in consultation with the Accountant General and the Government of India, will have to initiate steps to design & develop an appropriate accounting system. This will ensure (i) greater accountability and transparency in transactions and (ii) a regular and reliable feedback enabling sound management decisions.
3. The present government accounting system has to be modernized. Advice be sought on the design of a resource based accounting system, where the focus of the system will be to capture and present costs (resource use) in achieving a predetermined set of outcomes (agreed benchmarks).

4. The State finance and audit cadre has been strengthened by imparting training in modern financial management.
5. An internal audit department will be established in order to strengthen internal control systems. It will be headed by an Internal Auditor (of an appropriate senior rank) and incorporate the local fund audit and the cooperative societies audit with the newly established internal audit department.
6. The role of treasuries will be reviewed in the context of the new accounting arrangements.
7. A survey will be conducted amongst the various stakeholders such as businesses, the media, and the general public to design a public half yearly fact sheet containing information regarding the financial status of the Government.
8. With the introduction of decentralization, the Government will review the financial control systems at the local bodies (the Zila Panchayats, or village panchayats) and take steps to strengthen them.
9. Budgeting
10. The GoUP has initiated the computerization of treasury transactions to improve the information system (80 out of 90 treasuries have been computerized); as a result, monthly revenue the expenditure outcomes are now available with less than one month delay, albeit not with the desired level of desegregation. Nearly half of the annual allocation for capital projects have been released in the first half of the year, a break from past tradition. The practice of transferring end-of-year unspent balances into the PLA has been banned in June 1999. A Government Order issued in July 1999 requires the reporting of time and cost overruns and restricts new project starts in each department to at most 20% of actual expenditure on ongoing projects in the previous year. on ongoing projects in the previous year. The Budget Call Circular issued by the Finance Department in August 1999, to initiate the process of formulating the 2000-01 Budget attempts, for the first time, to ensure budgeting within a realistic resource envelope by requiring every department to accompany additional demands for funds with identification of potential savings and additional resources.

## **Decentralization**

55. Decentralization of revenue raising power, functions and staff resources has already substantially started in Uttar Pradesh. It will be taken further as suitable structures are evolved and put firmly in place. These clearly set out the regulatory and non-regulatory roles of various levels, especially at the State, District, and the remaining two tiers of the PR system. District level and sub-district level mechanisms are specifically to be strengthened after a very clear analysis of the existing and future scenarios. Once this has been finally worked out and agreed division of responsibilities has taken place, departmental restructuring will take final shape.

- Following the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional amendments and according to the 11<sup>th</sup> and 12<sup>th</sup> schedule, the decentralisation which is to take place with respect to the financial,

administrative and personnel powers, has been formally announced. Recommendation of the State Finance Commission to transfer 11% of State's resources to the local governments (urban 7% + rural 4%) has been implemented.

- The administrative and financial powers vested in the Divisional Commissioners and District Magistrates by the departments will be evaluated and more administrative and financial powers will be delegated to the local bodies.
- District level planning, budgeting and financial management will be strengthened, and as this occurs, more flexible budgeting arrangements will be developed, in line with improvements in accountability and community empowerment.
- Functions and corresponding infrastructure have been handed over to the Gram Panchayat. These functions relate to Tube wells, Handpumps, Health Sub Centres, Stock man centres, Youth Welfare, Agriculture, Rural Development, Panchayat Raj and Public Distribution System.
- One multidisciplinary worker in each of the 58,620 Gram Panchayats will be appointed to discharge the aforementioned functions.
- Decentralisation in government departments is commensurate with their responsibilities for efficient discharge of their duties.
- Regional devolution of powers to authorities to administer specified areas has also been taken to deconcentrate decision making.

## **Governance**

56. The Government of Uttar Pradesh has signaled a very clear commitment to improve the quality of governance in the state, to increase accountability, and to reduce the incidence of administrative misconduct or corruption. Due emphasis has been laid on the essence of Civil Service Reform i.e. improving the delivery of services to the people, by development of a new work-culture in the civil services.

57. **Open government:** Concrete measures that could serve to enhance accountability, transparency and access to information include:

- Enactment of legislation for Right to Information along the lines of the statutory scheme of the Government of India; The enactment of UP Right to Information Act will be speeded up, as announced in the budget speech of 1999-2000.
- Publication of reports of state-sponsored commissions and key policy papers.
- Use of information flows. Departments providing services will design a management information system to empower consumers to exercise better choice on services available.

## **Responsive Government**

58. With a view to make government functioning people-oriented and client centred, every department will have to take the following steps :

- Introduction of a citizens charter for each department and office that has a public interface, clarifying citizens entitlement to timely delivery of public services. The citizens charter issued by every department should clearly define the standard for the services being rendered. It will also specify the remedial mechanisms available to the citizen.
- The departments which have promulgated citizen's civil charters will ensure that the necessary changes have also been introduced in every aspect of the functioning of the department and at every level to conform to the standards set in demand of these charters.
- During introduction of citizen charters, departments would also ensure the following :
  1. Merely notifying citizen's charters should not be an end in itself. Each department should organise large scale capacity building programmes to bring in attitudinal change in their employees.
  2. Official interface with public on at least one fixed day in addition to routine interaction. Devising system for ensuring a speedy disposal of grievances at all levels of governance.

## **Anti Corruption Strategy and Strengthening the Rule of Law**

59. Accountability, transparency and the rule of law, are integral constituents of good governance. The issue of accountability is crucial for effective financial management and a responsive civil service. A responsive legal system is essential for private sector development and ensuring that all citizens, and particularly the poor, have access to justice.

- In establishing the rule of law, the burden on the courts from excessive cases will be lightened with the help of innovative mechanism such as Lok Adalat (Peoples Courts for alternate dispute resolution).
- Nyaya Panchayats in the villages will be strengthened to reduce litigation
- The state government will mount surveys of the perceptions and experiences of businesses, civil society and civil servants in sectors which have a public interface. These surveys will both measure public perception and experience of the integrity of staff interacting with the public, and overall performance in the delivery of services. Surveys will be carried out by an independent institute/survey body of recognized survey experience and integrity, and the results will be published in time bound manner. Implementation of the recommendations of these surveys will be ensured.
- Enactment of legislation/regulations to mandate strictly competitive bidding for all contracts and procurement of works, goods and services by the government and its entities, with regular publication of tender notices, bid closing dates, and contract awards will be effectively ensured.

60. To reduce problems of corruption and mal-administration it is proposed to move in two directions simultaneously. The first is to strengthen the key accountability institutions and anti corruption bodies and secondly, to create an integrated, flexible and responsive anti-corruption strategy based upon solid empirical evidence and regular stakeholder feedback. The above two-pronged strategy is imperative as corruption needs to be combated proactively by strengthening preventive measures in nodal and all line departments with particular attention to fostering successful anti corruption efforts at the departmental level.

61. To achieve the objectives of the above mentioned two-pronged approach, the following measures are to be taken :

1. Set up a broad based task force with representatives from both Government and civil society chaired by Chief Secretary to consider options for rationalizing and strengthening key accountability institutions, such as the Vigilance Department, Vigilance commission & Administrative Tribunal, the Vigilance Establishment, Chief Vigilance Officers within various departments and the Lok Ayukta (Omdudsman), with particular attention to their mandate, staffing, budget, organizational structure, work-processes, regulations and guidelines and performance indicators.
2. Ensure Lok Ayukt reports from 1991 through 1998 are laid on the table of both the Houses.
3. Ensure that the Lok Ayukt is the appointing authority for at least 50% of all departmental staff and he is allowed the freedom to recruit, transfer, promote and terminate the staff independently.
4. Fill all front-line investigation vacancies for the Lok Ayukt and expand front line investigative and technical staff by at least three times over current established levels; and increase budget for 2000-2001 proportionately.
5. Vigilance establishment to be allowed to recruit, transfer and dismiss at least 50% of its staff independently.
6. Immediately fill all open front-line investigative positions within Vigilance establishment and increase budget by at least 20% for the year 2000-2001.
7. In accordance with standard survey methodology, survey a cross section of government employees regarding attitudes towards corruption, service quality and government performance.

## **E-Governance in Uttar Pradesh**

62. The State Government of Uttar Pradesh has decided to use Information Technology as a vehicle for economic development and a high quality life for the citizens. This can only be possible if governance is effective. For effective governance, the need for 'accurate' decision support system, 'timely' management information system, 'responsive' citizen interface, 'effective' computer literacy and 'sound' communication backbone can hardly be over-emphasised.

63. The accurate decision support system shall replace 'subjectivity' with 'objectivity' and the timely management information system would ensure timely implementation of Government programmes. Irrigation, Roads, Education and Health sectors have been identified for first phase of implementation of GIS based Decision Support System in the State. The Management Information System on the other hand, shall cover all the schemes of all the Departments up to the district level.

64. Objective decisions and timely executions may also not bring in the desired results if the citizens, at large, face inconvenience and delays while transacting their business with Government. Henceforth, a need for Simple, Methodical, Accountable, Responsive and Transparent (SMART) Interface system exists. This interface, on the one hand, would ensure implementation of "right to information" of citizens, and replacement of "commuting" with "communication", on the other. The saving in time of commuting would enable the citizens in utilising the same for more productive purposes, thereby leading to overall productivity and efficiency in the system. Under this concept, the information of public utility shall be computerised and the same shall be hosted on departmental servers and sent to District hubs through networking. This information would be transmitted to citizens through Internet, Information Kiosks, Call Centres, Set Top Boxes and Cable TVs. The departments selected for first phase are District Administration, Urban Development, Trade Tax, Local Development Authorities, Electricity, Water Supply, Police, Tourism, Municipal Corporation, Railways & Department of Telecom and the selected cities for its first phase implementation are Lucknow, Noida and Allahabad. By 2008, all districts and all departments would be covered.

65. For enabling Government system, as a whole, to deliver better services, and for citizens to utilise these services, computer education and computer literacy will have to be propagated as a mass movement. The Government has decided to train all its employees on computers, and also, simultaneously create 20 million computer literates by the year 2008.

66. Effective governance through Information technology pre-supposes existence of strong communication backbone across the State. With 65 of its 83 district already covered by Optical Fibre Cable, such communication backbone already exists, and rest of the district shall be covered soon by alternative sets of technology, viz., V-Sat, GSM and OFC. A Wide Area Network (WAN) shall be created which shall link up all Districts.

67. The State of UP is now ready to enter into the new millenium with a vision of high tech and vibrant society working at a great efficient level, and ensuring better services to common man at his door steps.

### **The Task Ahead**

68. The following sections set out some of the principal actions the government will take in the months ahead.



## **Economy Measures**

69. The State Government recognizes the importance of resource allocation based on certain priorities. Action on taxation reforms and other revenue reforms will reduce the strain on the budget. On the other hand, the growing wage bill and other spending pressures an account of a huge government bureaucracy will have to be trimmed. In order to make the budget system more effective the state government will do the following:

- To assist the Government manage the financial implications of the restructuring of state functions, and ensure that new policy is made consistent with the available and expected resources, the Government will consider developing a Medium Term Expenditure Framework .This should ensure more predictable allocations to service delivery units, facilitate the setting of spending priorities, and contribute to the setting and achieving of realistic aggregate fiscal targets. It will also help in the making of more sustainable annual budgets, and make the costs of policies more transparent over time.
- Zero-based budgeting – an approach paper will be finalized, and the principles of scrutinizing all existing policies and programs will be adopted by Departments and their Planning Cells as they review functions.
- Bonus payable to government servants during 1999-2000 will credited to their respective GPF Accounts with a minimum lock in period of 3 years.
- Abolition of posts vacant for more than one year as on 31.3.98 (excluding posts in reserved category).
- Abolition of post falling vacant after 1.4.99
- The total number of government employees would be brought down by at least 2% every year.
- Leave encashment facilities for Class III and Class IV employees linked with other allowances and to be decided as a package.

## **Administrative and Budget Reforms**

- The practice of transferring unspent amounts at the end of the year to Personal Ledger Accounts is now banned.
- Time and cost overruns in projects with outlay more than Rs. 5 Crore will be reported to the Cabinet on a quarterly basis
- Aggregate total cost of all new works in any sector not to exceed 20% of works taken up in any year.

## **Expenditure Reforms - Subsidies**

70. The state government is determined to rationalize subsidies and make them more targeted to the intended beneficiaries. Low cost recovery, as reflected in subsidized tariffs in power, irrigation and water supply sectors will be effectively dealt with. With this objective in view the state government will develop

a comprehensive plan to reduce subsidies by 15% in the year 1999-2000 over the previous year's level, and to phase out unnecessary subsidies over time.

### **Implementation, Monitoring and Evaluation**

- A Cabinet Committee, headed by the Chief Minister, has been constituted for providing guidance and direction to the overall implementation of the Governance Reform Policy.
- An implementation team, known as the Governance & CSR Core Group, headed by the Chief Secretary to the Government of UP will spearhead the implementation of the policy. The responsibility of the Core Group would be to carry out the necessary follow-up, monitoring and mid-course corrections in the policy implementation. Its work will be supported by a Technical Working Group in the Office of the Chief Secretary and Policy Planning Cells within the various departments.
- The Department of Administrative Reforms will be the nodal agency which, along with the department of Personnel and Appointments, will implement the policy working under the guidance of the Cabinet Committee for Reform and direct supervision of the Reform Core Group.

### **Sectoral Reforms**

71. The reform of UP's public sector requires a series of coordinated actions involving both institutions with responsibility for the state government as a whole and sectoral agencies and departments. The following section discusses how these general principles will be applied as specific action points in a few key sectors.

#### **Power**

72. The state government is clear that reform in the power sector will bring financial, operational and commercial efficiencies. An Electricity Regulatory Commission has been constituted and Electricity Reform Bill has been passed by the State Government which has provided a legal framework to unbundle the State Electricity Board into different entities responsible for generation, distribution and transmission. Financial restructuring plan has been prepared to make successor entities financially viable.

73. Further Action would include the following :

- The U.P. Electricity Reform Act shall be made effective.
- Electricity Regulatory Commission has been made fully functional
- Installation of meters and metering of supply to all consumers.
- The process of privatizing distribution for Kanpur shall be completed
- Preparation of a comprehensive distribution privatization strategy; and privatisation of further, more diverse, distribution areas to the maximum extent feasible shall be accelerated.

- Senior management of the UPSEB's successor companies shall be selected in a transparent and competitive manner.
- The government's equity in generation shall be disinvested.
- Tariffs proposals for 2000-2001 have been filed before the Regulatory Commission in accordance with the Reform Act has notified the new tariff for 2000-2001.

### **Involving Local Bodies in Provision of Services**

74. GoUP has already transferred 60,953 government employees and the power to appoint new primary school teachers to the local bodies. The following further steps will be taken:

- All Government servants transferred to local bodies will get their salary and allowances from the local bodies
- Enable local bodies to recruit people whenever a vacancy falls due to retirement
- Process of hiring by Panchayats, pay ceilings and training activities to be defined

### **Population Policy and Health**

75. In the Population Policy of the State, the State Govt. has given the highest priority to reducing the rate of population growth by promoting reproductive health beginning 1999-2000. This will be a community based approach involving NGO's, PRI's and teachers. The strategy will focus on the increase in the literacy rates and reduction in the infant mortality rate because these are two critical factors in lowering the growth rate of population and improving the health of mother and child.

- It will develop and use a health and financial management information system.
- The state government will implement the findings of the Burden of Disease study. It is committed to meet the critical needs for life saving drugs, and maintenance and mobility of the health facility. Data on morbidity and mortality will be improved.
- It will fill critical rural staffing gaps at primary and secondary levels.
- Making explicit public-private partnerships to improve service delivery and financing, including a policy and strategy for working with and effectively regulating the private sector, and establishing a public-private forum on health.
- Revising the state essential drug policy to promote affordable, safe and rational use of drugs.
- Introducing auditing and reporting on personnel transfers to reinforce existing rules.
- Improving the basis for resource allocation, financial information, and use of user charges to improve cost recovery, accountability, and financial protection for the poor at CHCs and hospitals.
- Building a capacity for policy analysis and development in the Department, in part through the establishment of a Strategic Management Board and Strategy Support Group.
- Developing district health planning and management systems, including delegating financial authority.

- Strengthening state planning, budgeting, and financial management systems.
- Developing systems for increasing the social accountability of health services, including communication to facilitate health management at the facility and community levels.
- Developing health management systems for : quality assurance approaches, health management information, human resource management, disease surveillance and control, hospital equipment management and maintenance systems, and hospital waste management.

## **CIVIL SERVICE S REFORMS**

76. Civil Service is an integral part of the overall system of governance in the State. The Civil Service in Uttar Pradesh, as in the rest of India, is a legacy of British colonial rule. At the time of Independence, Uttar Pradesh inherited a strong Civil Service which ensure smooth transition to independence and provided to the state a strong district administration system, which ensured law and order and responsible revenue system. In the post-independence period this Civil Service took up fresh challenges in the area of planning and development, development of grass root democracy, and withstood the severe pressures arising out of social and economic pressures. In fact, the commencement of the planning era saw UP in the vanguard of land reforms and community development movement with several innovative rural development initiatives. UP also took lead in involving local urban community in managing the urban bodies and this initiative dates back to the middle of the 19<sup>th</sup> century.

77. The Government of Uttar Pradesh has recently launched a comprehensive programme for economic and fiscal reforms, to address the urgent problems of social development in the State. Important initial steps have been taken to address the problems of the power crisis and the fiscal crisis which, if not attended to, could derail the entire process of development. A major initiative towards people's participation in development has been launched in March 1999, involving massive devolution of powers and responsibilities to the elected local bodies, down to the village panchayats. The success of these reforms in policies and institutions depends, to a large extent, on the success or failure of the Civil Service to reform itself.

78. The Civil Service in Uttar Pradesh needs to change the way it functions and the way it relates to the individuals and non-governmental groups in civil society. Without fundamental reforms in the organizational structure of the administrative set-up, work culture and ethics, client relations and orientation of government officials and public servants, Uttar Pradesh will not be able to successfully implement the envisaged reforms and achieve the desired objectives of economic and social development.

79. In the changing economic scenario characterized by liberalization, globalization and democratic decentralization, a need is felt to think through the existing role of civil service in order to introduce suitable modifications for making the civil service respond to emerging challenges. From a predominantly controlling and regulating role, the government machinery needs to reorient itself today, to play an enabling role for market oriented economic growth. From a highly centralized and secretive bureaucracy, public administration and service delivery need to be brought closer to the people, made more transparent

and accountable to them. From a large sized and perceptibly inefficient system the civil service needs to transform itself into a trim and efficient, honest and dedicated army of public servants who are fired with the passion for social development and poverty reduction. It needs to develop over time into a modern system that makes effective use of the latest information technology.

80. The above outlines the context and contours of Civil Service Renewal, or Policy for CSR in Uttar Pradesh. The Policy for Civil Services Renewal incorporates various components that are envisaged to be implemented during the next few years, their appropriate sequencing and an implementation strategy.

### **Basic Assumptions**

81. The basic assumptions of the CSR Policy are as follows:

- Civil Service is central to the system of governance and has a critical role to play in the economic growth and social development of the state.
- Civil Service continues to have a crucial role to play both in policy work in support of departmental functions and collective decision-making, and in the delivery of a wide range of public services
- Civil Service has to respond to the need of developing professional approaches to management, delivery of high quality and responsive services and injection of competition and choice into service provisions.
- Within the broader framework of policies and strategic objectives established by the State's political leadership, and in the context of careful monitoring focused upon results, the civil service needs to be free to manage its human and financial resources to achieve the goals set for it.

### **Objectives**

82. To provide for the state of Uttar Pradesh and its citizens a highly professional, motivated and dedicated Civil Service which is known for its efficiency, effectiveness, integrity, political impartiality, objectivity, accountability and quality of service with a greater concern for service users. These objectives of good governance are proposed to be achieved by taking following specific measures:

- To improve the financial position of the state and the generation of adequate revenue.
- To inculcate a strong sense of gender equity and justice.
- To create a professional body of civil service characterized by transparency, motivation, accountability, responsiveness, integrity, efficiency and effectiveness.
- To make the civil service function as a catalyst in the socio-economic development of the state and its people by limiting its involvement to providing certain basic services and fostering an enabling environment for private sector growth.
- To re-orient civil service towards enabling and facilitating the on-going process of decentralization of governance in the state.

## **Key Principles**

83. The Government is wholeheartedly committed to sustaining the following key principles on which the civil service is based:

**(i) Transparency**

- To make sure that people know exactly what is going on and what is the rationale of the decisions of the Government.

**(ii) Accountability**

- To make sure that for every action and inaction in government and its consequences there is a civil servant responsible and accountable to state, society and people.

**(iii) Responsiveness**

- To make sure that people's need, aspirations and their well-being are the prime concern of the civil service and is reflected in the nature of response of civil service to people.

**(iv) Efficiency**

- Performance based on outcomes and the optimum utilization of resources to have a favorable input-output ratio to be the driving force of the civil service.

**(v) Effectiveness**

- Realization of the reform objectives to re-orient the civil service to meet the emerging challenges by ensuring that all departments have monitorable outcome measures linked to their broader social function,
- Improving policy making, management and service delivery, the Civil Service needs to increase its focus on performance and on developing all its staff.

## **Reform Agenda**

84. The Civil Service Renewal Agenda consists of the following components:

- Redefining Functional Goals
- Reorganizing and Restructuring the Administrative set-up including the Secretariat, Directorates and field formations
- Ensuring Affordability
- Human Resource Management and Development
- Improving Systems and Work Methods

**(i) Redefining Functional Goals**

85. In the wake of changing economic and political environment in the state and macro policy shifts at the national level a need is felt to redefine the functional goals of the civil service with a view to making it more relevant and responsive in the present context. The functional goals are redefined in the following manner.

- The core government functions such as revenue generation, maintenance of law and order and upholding the rule of law for bringing about communal harmony and social cohesion in the state need to be further strengthened by making the civil service more sensitive and by encouraging it to adopt best practices possible
- However, the civil service has to gradually make a shift from its earlier role of being a provider and regulator to one of a facilitator and promoter in an overall sense.
- The civil service is to function as a catalyst in the economic growth and social development of the state by providing a level playing field for all the stake holders including the private sector, NGOs, voluntary groups and the people themselves.
- The ethos of civil service to be characterized by professionalism, premium on performance and productivity and a commitment to reduction of corruption.
- Facilitating and enabling the on-going process of devolution, de-concentration and decentralization together with de-regulation.

**(ii) Reorganizing and Restructuring the Administrative set-up**

86. With a view to enhance efficiency, effectiveness and productivity it is proposed to rationalize, realign and reengineer all departments, at the Secretariat, Directorate and the field level. The objective would be to eliminate functions and tasks that are no longer needed or bring little value added so that the government can concentrate upon high priority areas, save in overhead and administrative costs by reducing administrative and support functions and involving more staff in front-line tasks of service delivery.

87. To enhance effectiveness by increasingly focusing from compliance to outputs and outcomes it is proposed to undertake following steps:

- Establish Policy Planning Cells within 62 major departments to coordinate departmental Reform efforts.
- Department of Personnel and Appointments (DPA) designated as nodal agency for CSR Reform process, assisted by Department of Administrative Reforms (DAR) and UP Academy of Administration.
- DPA and DAR to initiate preliminary intra-departmental review process regarding department mandate and mission, product and services, organizational structure and work processes.

- Each department to redefine its functional goals and come up with decision and mission statements, existing structure and areas for rationalization of departments are to be allowed to retain anticipated savings through rationalization.
- Establish Technical Working Group to the CSR Core Group in DPA to conduct a major inter-departmental functional review in order to rationalize the distribution of work between departments, eliminate functional overlaps and redundancies and merge and truncate tasks functions and departments; and identify areas for contracting out, with the goal of making them consistent with Indian and international norms.
- Draft TOR and recruit international and domestic consultants for Technical Working Group and initiate interdepartmental reviews.

### **(iii) Ensuring Affordability**

88. In order to ensure the long term affordability of the civil services, to improve productivity by redeploying staff to more valuable tasks it would be essential to allow for greater managerial flexibility by expanding options for redeployment and retrenchment on the one hand and putting an end to the “entitlement mentality” regarding jobs in the public sector. The following steps are to be taken to achieve the objective:

- Consistent with the objective of reducing the size of the civil service by at least 2% per annum, impose a freeze on all recruitment, including the filling of vacancies, with clearly specified exemptions for front-line staff in high priority areas.
- Conduct a civil service census that compares established positions against actual staff.
- Abolish about 10,000 positions identified as vacant and redundant.
- Department of Personnel and Appointments designated to coordinate in monitor downsizing/rightsizing exercises.
- Initiate a review of civil service terms and conditions to identify changes that will allow for greater flexibility in downsizing and redeployment.

### **Human Resource Management and Development**

89. To improve productivity by allowing public sector managers greater freedom and discretion in managing their staff, to enhance meritocracy by strengthening the process of performance monitoring and evaluation and, finally to improve the quality and skills of the workforce, following steps are to be undertaken for improving human resource development:

- Establish a computerized human resource database, so the GoUP can immediately produce accurate and timely information on the size and composition of the civil service.
- Constant up-gradation of knowledge, skills and attitude of civil servants working at all levels of the government with a focus on the cutting edge level through compulsory induction, in-service and specialized training.



- Directive sent by Chief Minister to all Cabinet members, and by the Chief Secretary to all Heads of Department and senior department staff, that new transfer policies are to be strictly adhered to.
- Department budgets for transfers to be disaggregated and strictly monitored.
- Senior positions like those belonging to Class I and Class II officers are to be classified for rational and judicious placements.
- Annual Confidential Report (ACR) process to require regular year end feedback sessions between supervisory and subordinate staff.
- The goal of training for all, as stated in the national and state training policies, to be realized through sustained efforts and interventions.
- Sensitization of civil servants on gender issues and social responsibilities at all levels to be undertaken through a series of workshops, seminars, training and orientation programmes for a better and gender sensitive system of administrative governance.
- Institutionalization of best practices in civil service administration and their documentation for institutional memory.
- Establishing institutional linkages with think-tanks and advocacy groups both within and outside the government for continuous learning and development.

**(iv) Improving Systems and Work Methods**

90. The aim of improving systems and work methods would be to create a new work culture based on openness, accountability, responsiveness, efficiency and effectiveness. The following systems to be examined and redesigned for bringing about professional efficiency in the functioning of civil services.

- Regulatory system of the state
- Budgetary system of the state
- Public Grievance redressal system
- Management information system
- Personnel management system
- Financial management system
- Decision making system
- Performance evaluation system
- Policy making system

91. A highly complex regulatory regime for regulating the function of various government departments and its personnel has grown over the years in the form of a vast body of Acts, Rules and Regulations, many of which are now totally irrelevant and outdated. There is an urgent need, therefore, to introduce desired deregulation for bringing about efficiency and effectiveness in government functioning.

## **Implementation Strategy**

92. A policy has no meaning unless it can be truly and effectively realized in practice. The biggest challenge of this policy is to translate it into practice. Hence the need of an implementation strategy. The strategy adopted is as follows:

- An implementation team, known as the CSR Core Group, headed by the Chief Secretary to the Government of UP would spearhead the implementation of the policy. The responsibility of the Core Group would be to carry out necessary follow-up, monitoring and mid-course corrections in the policy implementation. Its work will be supported by a Technical Working Group in the Office of the Chief Secretary and Policy Planning Cells within the various departments.
- The department of Personnel would be the nodal agency for the implementation of the policy, working under the guidance of the Cabinet committee for CSR and direct supervision of the CSR Core Group.
- A compendium of important government order to be brought out annually by each department mandatory both for the use of its own staff and information of the general public.
- The Department of Administrative Reforms is to be strengthened suitably in order to be able to take up various follow up activities, emerging out of the reforms being presently undertaken.

93. The other elements of the implementation strategy are as follows:

- To bring about suitable structural and systemic changes for improved functioning of the civil service.
- To create a critical mass of change agents committed to professional efficiency and either in administration.
- To ensure effective management of change.
- To inculcate a culture of financial discipline by adopting best principles and practices of financial management such as value for money etc.
- Total office automation in phases to bring in transparency and professionalism in administration and public service management.
- Wide use and application of information technology in government operations to create a culture of professional efficiency, transparency and public commitment.

## **Sector Specific Civil Services Reform**

### **Education**

94. Special priority has been given to total literacy and primary education. A vigorous campaign has been launched for total literacy in 50 districts of the State with the help of District Literacy Committees, Villages Education Societies and Voluntary Organisations. World Bank aided "Education for all Programme" has been extended to 42 more districts, thus covering 77 districts in the State. Education

Guarantee Scheme has been launched in 1999-2000 to enlist community participation in education. The state government has decided to give free education to girl students upto graduation level.

95. The state government will design a strategic plan to
- this could be a good opportunity to again make the point that the state should do a total sector policy review prior to further planning for each sub stage of education to ensure continuity and consistency.
  - the strategic plan should also include (a) expansion and quality improvement of early childhood care and education and (b) a holistic approach to education and development of children through more effective convergence of the school program with school health and nutrition programs.
  - the first point on educational options should be further elaborated to include "and provide for consistent professional onsite support to these options for ensuring sustained quality and equivalence with the formal school program."
  - expand the educational options to increase effective supply/access, such as double shifting, small schools, para-teachers;
  - improve retention through improvements in quality inputs and processes, and recruiting female teachers;
  - effectively monitor performance;
  - build capacity of the implementing departments and;
  - decentralise decision making to the community level.

## **Forestry**

96. The Forest Department (UPFD) is tasked with balancing the conflicting requirements of increasing forest cover, conserving biodiversity, and maximizing productivity and revenue generation in the use of forest products. It is also increasingly being asked to advance ecodevelopment and involve communities in participatory forest management. It currently comprises 21,186 sanctioned position establishments, or approximately 2% of the GoUP total. Other organizations active on forest issues include the Hill Development Authority and the Forest Corporation. Together, the Forest Department and Corporation employ about 24,362 individuals on a regular basis.

97. Reforms in the Forest Department are more advanced than in other sectors. The Department is currently implementing a number of initiatives to improve its management, including: (1) ensuring that the policies, management processes, and organizational structures of UPFD are appropriate to its role as the nodal agency in forest management; (2) strengthening human resources management and development; and (3) developing information systems to assist with all aspects of the planing and management of forests.

98. Regarding the reform of organizational structures and business processes, one of the Department's top priorities is to decentralize decision making procedures. Managers have historically not been delegated the necessary authority to discharge their duties effectively, which has lead to delays and diluted

accountability. Several initiatives to increase administrative and financial decentralization and improve the clarity of responsibilities are under consideration, and site specific, bottom-up, participatory planning processes are now being implemented. In conjunction with the broader civil service rationalization, plans are also under consideration for reorganizing the Department, perhaps along functional lines regarding wildlife, conservation and plantation activities.

## **Irrigation**

99. A study of UP Irrigation Department has concluded groundwater operation is a substantial loss-maker and is choking the financial capability of the ID to run the other services effectively. It is therefore necessary to unburden ID of this operation. UP Irrigation Department has upgraded its norms of maintenance and construction and based on 120 divisions and 6 circles has been declared surplus. The state government is aware that efficient and sustainable exploitation of already developed irrigation system would be a critical element of its irrigation reforms. Central to improving irrigation performance will be a higher priority on water management. Comprehensive institutional reforms will include the following actions:

- Water Users Associations will be formed along all main irrigation systems
- Expenditure (especially O&M expenditure) incurred by the WUAs will be linked to the collection of water charges in their respective command areas.
- Enabling provisions in appropriate Act will be used to set Rules for O&M of tube wells by Panchayats
- Utility Regulatory Commission will be appointed

100. The Irrigation Department and its affiliated organizations (Minor Irrigation, Irrigation Inventory Control, Irrigation Construction, Ram Ganga Command) are one of the largest employers in the state. There are approximately 64,000 regular position establishments, and the Department also utilizes over 22,000 casual and work-charged employees, bringing its total employment to approximately 86,000.

101. The reform of any large department, such as Irrigation, will be an extremely complicated task requiring patient and persistent effort over a number of years. From a strategic perspective, the department faces a number of important decisions regarding the rationalization, reorganization, restructuring, rightsizing, decentralization, unbundling and selective commercialization and privatization of services. Productivity is low, and operations such as surface and ground water management are currently sustaining major losses through overstaffing and weak cost recovery. Sweeping reorganization and rationalization will be necessary to eliminate loss-making functions, and the GoUP is developing a comprehensive strategy towards this end.

102. Consistent with best practice in other settings, the Department is moving towards a management strategy using the river basin as the basic hydrologic and geographic unit. This objective will, in turn, require the creation of a State Water Planning Office under the existing State Water Board. It will also involve establishing an independent Water Tariff Regulatory Commission (WTRC) and a Water Resources Data and Analysis Center (WRDAC). The preparation of river basin plans will take place at the basin

level, and it will take place in a multi-disciplinary, multisector and participatory fashion. An initial pilot will be conducted from the Ghagra-Gomti basin and then adapted and replicated in other parts of the state. For operations and maintenance, decentralized water service agencies should be established and linked with water user associations and other bulk consumers at the retail level. These could be commercialized and selectively privatized. This approach will also be piloted initially in the Ghagra-Gomti basin.

103. Under any serious reform scenario, overstaffing will be a major problem. Preliminary estimates indicate substantial numbers of staff may eventually need to be redeployed. Current plans envision transferring large numbers of staff to the Gram Panchayat level, where they will be trained to facilitate the provision of ten functions. Other efforts at functional rationalization may involve devolving the responsibilities for the Department of Minor Irrigation to local communities. The GoUP has already taken some steps forward, and 107 divisions were eliminated.

### **Medicine and Health Department**

104. The health sector is one of the largest employers within the government of Uttar Pradesh. The Medical and Health Department has an established strength of 97,236, or 12.3% of all position establishments as of 1 April 1999. There are two additional departments that provide more traditional health related services: the Ayurvedic & Unani Department, with 10,184 established posts, and the Homeopathic Medical Department, with 3,851 positions.

105. The Medical and Health Department requires a number of urgent reforms. Many of the problems that beset the department are common throughout the civil service, such as frequent transfers and inappropriate skills mix. Accountability mechanisms will also need to be improved. Others, such as the changing external environment and the number of alternative service providers, are more pronounced in this sector.

106. In the area of strategic management, there is a need to rationalize the provision of services to eliminate unnecessary overlap and duplication of functions and save on overhead costs. The division of responsibilities, such as between urban hospitals and rural health services, also needs to be reviewed and reformed to ensure greater coordination and more effective referral mechanisms. The number of alternative services providers, particularly those in the private sector, is rapidly expanding, which provides opportunities for forging partnerships and enhancing service quality in response to higher public expectations. The gradual devolution of government services to elected Panchayat bodies represents a clear opportunity for the Department to enable them to be more responsive to the needs of local communities.

107. In the area of public expenditure management, present methods for budgeting and expenditure control are targeted at controlling inputs and do not provide adequate managerial flexibility or discretion over spending within an overall budgetary ceiling. Measures need to be adopted to enhance the strategic allocation of resources within a multiyear framework and to control the expansion of the wage bill, which in 1997/98 totaled 79% of all expenditures for the department; as a result, non-wage expenditures, such as

those for medicines and fuel for emergency vehicles, have fallen to levels that severely compromise the quality of services.

### **Public Works Department**

108. The Public Works Department (PWD) is one of the largest employers within the state government. As of 1 April 1999, both the Department and Secretary Branch had an established strength of 43,166, or roughly 5.4% of all state position establishments. In addition, the department also employs approximately 13,805 staff in a daily wage category, and 19,569 staff as work-charged employees. Currently over 76,500 individuals draw their salary from PWD.

109. A detailed institutional review of PWD will be initiated during the first quarter of the year 2000, and specific reform initiatives will come out of this exercise. Preliminary assessments indicate that the department currently suffers from a number of managerial and institutional problems, many of which are common throughout the public sector in Uttar Pradesh. At the strategic level, the organization is currently performing many tasks that could be privatized, corporatized, or devolved to local governments. Solutions have to be found for the maintenance and upkeep of rural feeder roads. Consistent with the general GoUP civil service move to “steering, not rowing,” greater attention needs to be devoted to outsourcing and downsizing, with increased emphasis upon strategic planning, performance evaluation and monitoring, and contract management. Resolving issues of interministerial coordination are also important, for responsibility for roads is fragmented between a number of departments. Also, along the lines of the 5<sup>th</sup> Pay Commission, decision making procedures need to be decentralized to improve responsiveness and reduce unnecessary delays. Functional reorganization and realignment is also likely to be necessary in the wake of the institutional reviews.

110. PWD is considerably overstaffed to perform this new function, and rightsizing efforts will have to be taken. There is a critical need to update the department’s current skill mix, which is strong in technical fields such as engineering but weak in non-engineering areas such as project management, traffic management, social and environmental planning, transport economists and financial management. As is common in many departments, productivity can be enhanced by reducing the logistical and administrative tail and curtailing the number of “unofficial” supervisors. Accountability mechanisms need to be strengthened, and promotion, transfers and sanctions need to be much more strongly linked to performance evaluation.

111. In the area of financial management, accurate cost data needs to be developed that fully accounts for the salary expenses of casual and work-charged employees. Priority expenditures on capital works and non-wage maintenance needs to be protected and expanded. More stringent project selection criteria needs to be utilized, along with greater emphasis upon completing ongoing projects before making new commitments and greater emphasis on the maintenance of existing assets. Improved revenue mobilization through revision of road user charges is also important.

112. Major sector specific issues will include: (1) resolving issues of improved strategic management and interdepartmental coordination; (2) changing the skill mix to reflect a broader interdisciplinary

approach to transportation; and (3) developing and implementing performance indicators germane to the transport sector.

## **PUBLIC ENTERPRISE REFORM AND PRIVATIZATION**

### **State Level Scenario**

113. U.P. is an agriculture intensive state and this sector contributes about 45% to the Gross Domestic Product of the State and 70% of the able work force is engaged in this sector. The industrial sector has contributed only 20% to the States' Gross Domestic Product and only 8% of the able work force is employed in this sector. The pace of Industrialization has been a mere 2% to 6% in the last few years.

114. As per the last census the population of the State was around 13.93 cores or 14 crore approximately. Out of this 21%, 0.2% & 17.3% belonged to SCs, STs and minorities respectively. The rate of growth of population during the 1981-1991 period was 25.48%. The literacy rate was only 42% and the population below the poverty line was around 40%, 29.7% of the population was that of skilled workers of which only 7.75% were industrial workers.

115. In the context of the increasing population, it is imperative that there is an increase in agricultural production, rate of industrialization improvement and an overall development of various sectors and categories takes place. There will be a continuous increase in requirements of energy, residential accommodation, roads, related infrastructural facilities, financial institutions and intervention assistance agencies. Thus the role of the State, & consequently that of the State Public Sector will also be affected.

### **Public Sector Scenario**

116. Government has taken several steps to bring about improvement in the performance of SLPEs to equip them to face the challenges of the changed economic environment and globalization and to gradually shed those products and activities which have proved to be unproductive and unviable. In this context, the then Chief Secretary reviewed the performance of each enterprise in 1990 and suggestions for improvement were made. Consequently, Auto Tractors Ltd. was given in the Joint Sector and activities of the 10 Area Development Corporations.. of the plains, UPAI, HORTICO & Brassware Corporations. were closed. Thereafter, in 1991-92, Sub-Committees of the Cabinet reviewed the performance of each enterprise. Consequent to the decision of the Govt. of India to bring the Pubic Sector within the ambit of SICA and BIFR, a detailed status of SLPEs was put up before the Cabinet, following which G.O. No. 863/44-2-1994 dated 1st June, 94 was issued. In 1996, once again a detailed status of every enterprise was put up before the Empowered Committee set up by the Govt. Thereafter, in 1997, the then Chief Secretary set up a Task Force and in 1998 and 1999 a Committee under the chairmanship of Chief Secretary looked into the restructuring requirements of SLPEs and gave its recommendations.

117. Initially, Public Enterprises were established for taking over the old and sick units of the private sector, with a view to protect the workers' interest and to revive these units e.g. sugar mills, CDF etc. Some Puss were created to fulfill the conditionalities of Government of India and external agencies.

118. The public sector of the state is mainly in the following sectors :-

- Development of infrastructure & utilities such as Power, Transport, Sewage & distribution of essential commodities.
- Social Sector-e.g. development of Scheduled Castes & Tribes, Backward Classes, Minorities, Women etc.
- A few Corporations were established in the manufacturing sector e.g. Sugar, Cement & Textiles etc.

119. The changing economic scenario, the liberalization process and the onset of economic reforms has had a great impact on the Public Sector in general and the State Level Public Enterprises(SLPEs) in particular.

120. Consequently, where the 70's and 80's saw an increase in the number of SLPEs in U.P., the 90's have seen a steady decline. At present there are 50 SLPEs(including UPSEB). Out of these, at least three-U.P. Mineral Development Corporation U.P. Cement Corporations. and U.P. Vidyut Utpadan Nigam are non-operational. The activities of Pashudhan Udyog Nigam have been closed and U.P.Tarai Anusuchit Janjati Nigam exists only as a legal entity, as all activities and manpower have been transferred to another Corporation. Steps to initiate reforms in the Energy sector have already been undertaken.

121. The State Govt. has invested more than Rs. 14191 crores in terms of equity and term loans. Another Rs. 2907.69 crores has been given to these companies as grants & subsidies.

122. These companies have a cumulative deficit of Rs. 3257.69 crores. The major contributor to their resources has been the State Government. The high debt-equity ratio is because funds to UPSEB, JAL NIGAM and U.P.AWAS VIKAS PARISHAD etc. have been made available in the form of term loans instead of equity. These 50 enterprises have incurred a net loss of Rs. 344.20 Crores during 1997-98. Out of these, 27 companies earned profit of Rs. 159.44 Crores while 23 companies incurred a loss of Rs. 503.64 Crores in 1997-98. There are 2,41,483 employees employed in these 50 Companies. The average annual salary paid to an employee in 1997-98 was Rs. 0.70 Lakhs.

123. All the fifty enterprises have been categorized according to their nature of activities in to nine sectors as follows:-

- (a) Production Enterprises
- (b) Area / Sectoral Enterprises
- (c) Promotional and Financial Enterprises
- (d) Uttaranchal Development Enterprises
- (e) Service Enterprises



- (f) Financial Enterprises
- (g) Energy Enterprises
- (h) Trading Enterprises
- (i) Construction Enterprises

124. The major elements of the Public Enterprises Reform Policy are as follows :-

- Those activities, which are commercial in nature and in which there is private sector presence, will be privatized through divestments and closures.
- Those PEs which are involved in activities which are not commercial in nature will be restructured so that they cease to be dependent on Govt. budgetary support. This will be ensured through mergers and re-organization.
- Duplicity of activities between PEs, Govt. departments, Co-operatives and other Govt. agencies will be minimized.
- The small size of PEs renders them incapable of facing the onslaught of competition following globalization and liberalization of the economy. Hence restructuring, divestment, privatization and closure of activities will be undertaken in such a way so as to create viable entities and eliminate unviable ones.
- In the Utilities Sector, services will be provided to an expanded number of consumers at reasonable rates and quality. To meet the requirements for greater investment as well as quality and efficiency, steps will be taken to secure the participation of the private sector and efforts will be made to create an independent regulatory authority.
- There will be a total ban on creation of new enterprises, other than the corporatization of existing public agencies with a view of eventual privatization.

125. A Divestment Commission has been constituted to recommend the plan of action to facilitate restructuring, re-organization, privatization and closure of PEs. This Commission will be manned by one part-time Chairman and two part-time Members having experience in the fields of Economics/Public Sector management/ Banking/ Management / Law etc. The Special Secretary to the Department of Public Enterprises will be the ex-officio Secretary to the Divestment Commission. A Technical Secretariat is to assist the Divestment Commission. A Central Committee headed by the Chief Secretary will forward the names of the Enterprises for the consideration of the Divestment Commission. On receipt of the recommendations of the Divestment Commission, this Central Committee will re-evaluate and forward them to the Administrative Department to seek Cabinet approval. The Administrative Department will seek the approval of the Cabinet and will transfer all the documents together with orders of the Cabinet to the Working Committee. The Working Committee will ensure implementation of the orders of the Cabinet and report to the Govt. The future divestment and closure of enterprises will be executed in accordance with detailed procedures to be prepared by the Divestment Commission after the approval of Cabinet. The future divestment and closure of enterprises will be executed in accordance with detailed procedures to be prepared by the Divestment Commission following the guidelines enclosed as Annexure-2.

126. The Divestment Commission will also suggest ways to minimize the impact of Restructuring, Divestment, Privatization and Closure on the employees of the affected enterprises, including voluntary retirement scheme and training/counseling support. The present scheme of voluntary retirement as well as the guidelines are attached at Annexure-3.

127. A Transaction Manual for Environmental Liability Assessment and remediation will also be prepared to enable assessment of past environmental damage and remediation costs for the divestment and closure processes to be environmentally sound.

128. The policy for PEs issued by the Department of Public Enterprises will have an overriding effect, irrespective of the Administrative Department's policy. It will be mandatory for Administrative Departments to seek the opinion of the Department of Public Enterprises before issuing any policy for their PEs in future.

### **Environmental Liability Assessment of Divestment and Closure of Public Enterprises**

129. The Government of Uttar Pradesh has expressed its intention to embark on a comprehensive reform of its Public Enterprises (PEs) that includes the divestment and closure of several enterprises. For this purpose Government of Uttar Pradesh will issue a policy that includes the institutional framework for implementation. This includes establishment of a Divestment Commission and appointment of Pradeshिया Industrial Corporation of UP (PICUP) to provide technical support on implementation.

130. The Government of Uttar Pradesh has identified 6 PEs for divestment and closure in the first phase of reform. The major issues relating to the proposed divestment or closure of PEs are: (i) potential environmental liabilities associated with past pollution; and (ii) environmental compliance by each PE.

131. In order to address the above environmental issues, Government of Uttar Pradesh is inviting consultancy offers to assist PICUP in developing a "*Transaction guidelines on environmental matters*", in coherence with its overall PE reform policy. Once finalized, these guidelines will become part of the overall implementation procedures.

132. It is hoped that the above mentioned reform measures in the different sectors of the economy will help in achieving the desired level of development in the State. Nevertheless, if we can possible operationalise the different component of the good governance, we are sure that we will be able to accelerate the growth process of the state's economy. Simultaneously, the different policy initiatives declared by the State Government will also definitely improve the health of the state's economy and at the same time we will be able to bear the fruits of the reforms undertaken by the State Government.

**Annexure I**

**Fiscal Framework : Reform Scenario**

**(Rs. Crores at current prices)**

	1998/99 Actual	1999/00 Est.	2000/01 Proj	2001/02 Proj	2002/03 Proj	2003/04 Proj	2004/05 Proj
Revenue	17378	22638	27035	29863	33353	37446	42524
State's Own Revenue	9388	11927	13399	15227	17689	20497	23596
Tax	7912	9964	11482	13528	15763	18222	20810
Non-Tax \a	1476	1963	1917	1699	1927	2274	2787
Central Resources \b	7990	10711	13636	14636	15663	16949	18928
Expenditure and Net Lending of which :	29009	34756	39674	40238	43719	47697	51824
Interest \c	6638	7678	8608	8749	9845	11327	12194
Salaries \d	6725	7373	8156	8542	8947	9372	9816
Pensions	1776	2111	2126	2434	2786	3190	3652
Major Non-Merit Subsidies	2054	1920	1759	1743	1729	1717	1707
High Priority O & M	692	1073	1627	1770	2354	2656	4185
Capital Outlays	2097	2400	3586	4386	4334	5202	6662
<b>Revenue Deficit</b>	<b>(-) 8608</b>	<b>(-) 8149</b>	<b>(-) 6888</b>	<b>(-) 3368</b>	<b>(-) 3187</b>	<b>(-) 3690</b>	<b>(-) 2005</b>
<b>Unadjusted Fiscal Deficit</b>	<b>(-)11631</b>	<b>(-)12118</b>	<b>(-)12639</b>	<b>(-)10375</b>	<b>(-)10366</b>	<b>(-) 10252</b>	<b>(-) 9300</b>
<i>Add</i>							
Appropriation for avoidance of Debt	757	929	1174	316	354	845	826
Food Procurement (PDS)		133	1133				
<i>Less</i>							
Return of PLA balances		371					
Grant component of expected Extra-ordinary financing			300	300			
Housing Loan	86	-86					
<b>Adjusted Fiscal Deficit</b>	<b>(-)10960</b>	<b>(-)11341</b>	<b>(-)10632</b>	<b>(-)10359</b>	<b>(-) 10013</b>	<b>(-) 9406</b>	<b>(-) 8475</b>
Gross Budget Support to Power	1111	1562	2468	2690	2350	2193	954
<b>Non-Power Deficit</b>	<b>(-)9849</b>	<b>(-) 9778</b>	<b>(-) 8164</b>	<b>(-) 7669</b>	<b>(-) 7663</b>	<b>(-) 7213</b>	<b>(-) 7521</b>
\a : Includes return of PLA balances in 1999-00							
\b : Includes grant component of expected extra-ordinary financing from external sources							
\c : Includes appropriation and avoidance of Debt							
\d : Refers to salary of regular government employees							

	1998/99 Actual	1999/00 Est.	2000/01 Proj	2001/02 Proj	2002/03 Proj	2003/04 Proj	2004/05 Proj
<b>% GSDP</b>							
Revenue	11.9	14.0	15.2	15.3	15.5	15.7	16.0
State's Own Revenue \a	6.4	7.4	7.5	7.8	8.2	8.6	8.9
Central Resources \b	5.5	6.6	7.7	7.5	7.3	7.1	7.1
Expenditure and Net Lending	19.8	21.5	22.4	20.6	20.3	20.0	19.6
Of which :							
Interest \c	4.5	4.7	4.8	4.5	4.6	4.7	4.6
Salaries \d	4.6	4.6	4.6	4.4	4.1	3.9	3.7
Pensions	1.2	1.3	1.2	1.2	1.3	1.3	1.4
Major Non-Merit Subsidies	1.4	1.2	1.0	0.9	0.8	0.7	0.6
High Priority O & M	0.5	0.7	0.9	0.9	1.1	1.1	1.6
Capital Outlays	1.4	1.5	2.0	2.2	2.0	2.2	2.5
Revenue Deficit	(-) 5.9	(-) 5.0	(-) 3.9	(-) 1.7	(-) 1.5	(-) 1.1	(-) 0.8
Unadjusted Fiscal Deficit	(-) 7.9	(-) 7.5	(-) 7.1	(-) 5.3	(-) 4.8	(-) 4.3	(-) 3.5
Adjusted Fiscal Deficit	(-) 7.5	(-) 7.0	(-) 6.0	(-) 5.3	(-) 4.6	(-) 3.9	(-) 3.2
Non-Power Deficit	(-) 6.7	(-) 6.0	(-) 4.6	(-) 3.9	(-) 3.6	(-) 3.0	(-) 2.8
<b>Memo :</b>							
Debt Stock / GSDP	34.7	37.9	40.3	41.8	42.2	41.8	40.6
GSDP Annual Real Growth	3.3	3.4	3.6	3.8	4.1	4.4	4.7
Interest / Revenue	34.6	30.7	28.2	28.5	28.5	28.0	26.7
Debt Service / Revenue	41.3	37.5	37.8	34.9	35.2	36.7	35.0
(Salary + Pension + Interest) / Revenue	84.6	78.6	67.2	65.7	63.6	61.5	58.4

\a : Includes return of PLA balances in 1999-00

\b : Includes grant component of expected extra-ordinary financing from external sources

\c : Includes appropriation and avoidance of Debt

\d : Refers to salary of regular government employees

## GUIDELINES FOR THE DIVESTMENT OR CLOSURE OF PUBLIC ENTERPRISES

1. This text is the result of discussions held with GoUP on the basis of a previous draft. The following guidelines are intended to assist in the preparation of the detailed procedures for the divestment or closure of PEs as applicable, in the context of the Government's policy for PE reform.
2. The document is divided in three parts: (i) institutions involved in the process and their mandate as agreed in the policy for PE reform; (ii) procedures for divestment or closure, including the relevant levels of approval; and (iii) guidelines for the selection of private buyers.

### **Institutions and mandate:**

3. *Central Committee:* Chaired by the Chief Secretary and including the following members:
  - (1) Principal Secretary, Finance
  - (2) Principal Secretary, Planning
  - (3) Principal Secretary, Law
  - (4) Secretary, Department of Public Enterprises

Mandate: The Central Committee will:

- Consider PEs for divestment and/or closure in accordance with the policy for PE reform, in consultation with the Principal Secretary/Secretary of the relevant administrative department and refer them to the Divestment Commission for analysis and recommendation. All PEs to be analyzed for divestment or closure will be referred to the Divestment Commission by 31 March 2000; and
- Consider the recommendations from the Divestment Commission on individual PEs in consultation with the Principal Secretary/Secretary of the relevant administrative department; after review of the recommendation, the relevant administrative department will present it to Cabinet for approval.

4. *Divestment Commission:* The Commission will consist of the following members:
  - (1) Chairman with experience in Economics, Banking, Law or Management;
  - (2) Two Members with experience in Banking, Economics, Law or Management

Mandate: The Divestment Commission will evaluate the PEs referred by the Central Committee and recommend to this Committee a strategy for the divestiture and/or closure

of the relevant PEs, including a timetable for implementation. The Divestment Commission will complete the evaluation of all PEs that it has been referred by 31 March 2001; the Commission will be wound up at that time.

5. *Working Committee:* Under the Chairmanship of the Secretary at the office of the Chief Secretary, it will include PICUP as its full time technical secretariat. For implementing divestment or closure of specific PEs, it will constitute a team including the Secretary of the Administrative Department, PICUP, the MD or Chairman of the relevant PE and external advisors, as required.

Mandate: The Working Committee will perform the following functions:

- After Cabinet approval has been secured by the relevant administrative department, implement the approved strategy, including: (i) marketing with potential private buyers; (ii) preparing bidding documents, including terms and conditions; (iii) conducting a valuation of assets; (iv) receiving and evaluating bids; and (v) recommending to the relevant administrative department the award of bids; and
- For the PEs listed in the annex for which Cabinet approval has been received, implement the approved strategy as defined in above;

6. *PICUP:* A team of four time senior officers will be assigned by PICUP to perform its tasks as defined below with the assistance of:

- (1) Two engineers
- (2) Two accountants
- (3) Two legal experts
- (4) Two financial experts
- (5) One labor expert

Mandate: PICUP will have dual roles as:

- Technical secretariat to the Divestment Commission while the Commission is in existence until 31 March 2000; PICUP will analyze the PEs referred to the Divestment Commission and prepare recommendations for divestment or closure as defined in paragraph 4 above. PICUP will where necessary contract consultants to assist in the assessment of the PEs on this list; and
- Technical Secretariat to the Working Committee, PICUP will, with the aid of consultants, assist in the implementation of the approved recommendation as described in paragraph 5 above.

7. *Administrative Departments:* The relevant administrative department will:

- Participate in the Central Committee for consideration of the PEs under its purview to determine which enterprises shall be referred to the Divestment Commission for review and recommendation, and in the Central Committee's review of these recommendations;

- Following the recommendation of the Divestment Commission for specific PEs, seek Cabinet approval for implementation;
- Following Cabinet approval, refer specific PEs to the Working Committee for implementation, this includes the PEs listed in the annex;
- Participate in the implementation through the Secretary of the concerned department along with the Chairman or MD of the relevant PE;
- For PEs referred to BIFR, coordinate implementation of divestment or closure by Working Committee with BIFR;
- Following the evaluation of bids and recommendation by the Working Committee, seek Cabinet approval; and
- Finalize the transaction.

### **Procedures for divestment or closure**

8. Once a PE or a subsidiary or unit of a PE has been referred to the Divestment Commission (DC) for analysis and recommendation, PICUP will evaluate alternative options for the divestment or closure of the enterprise or unit and will recommend a course of action. The recommendation will include:

- the proposed method of divestment or closure;
- the preparatory actions required, including issues related to personnel and financial restructuring and associated costs; and
- the proposed timetable for implementation.

9. These recommendations will be presented to the Central Committee with the participation of the relevant administrative department for action by the administrative department.

10. The administrative department will prepare a note for submission to Cabinet seeking approval of the recommended course of action.

11. After securing Cabinet approval, the relevant administrative department will refer the PE to the Working Committee for implementation.

12. For the purposes of implementation, the Working Committee will constitute a team consisting of PICUP, a representative of the concerned PE (Chairman or MD) and external advisors as required (financial, legal, labor and environmental).

13. The team will prepare the divestment or closure of the enterprise, including the following:

- strategy for financial restructuring, including debt settlements, write-offs and capitalization;
- valuation of the enterprise or assets as applicable;
- an information memorandum;
- a marketing strategy, including a list of potential buyers as applicable;

- details for the VRS package and related labor issues;
- an environmental audit and remediation plan as required; and
- bidding terms and conditions;

14. The different elements related to the implementation of the financial restructuring and the VRS strategy will be the responsibility of the Board of the relevant PE and its administrative department as applicable. VRS will be coordinated and monitored by the department of public enterprises.

15. The implementation of the marketing plan as well as the tendering process for the selection of buyers will be the responsibility of the Working Committee and PICUP; they will conduct these processes on behalf of the relevant PE and its administrative department.

16. Bids will be received and evaluated by PICUP; the Working Committee will prepare and submit a recommendation for award to the relevant PE and its administrative department for Cabinet approval.

17. Following Cabinet approval, the relevant administrative department will execute the transaction.

**Guidelines for the selection of buyers:**

18. Selection of buyers will be based on competitive and transparent procedures. Either tendering or auctions will be used as appropriate.

19. Tendering and auctions will be properly publicized. For this purpose, a notice will be published for three non-consecutive days in at least one local publication and one national publication.

20. The publication will clearly identify the enterprise or unit or assets to be sold or auctioned, including a brief description of the enterprise or unit. The time, date and venue for the auction or for the submission of bids will be clearly specified. In the case of auctions, the notice will clearly identify the place and address as well as the times during which additional information about the relevant enterprise, unit or assets may be obtained. In the case of tenders, the notice will clearly identify the place, address and times for obtaining the tender documents.

21. Additional information for auctions and the tender documents for tenders, will clearly define the terms and conditions for the sale, including: (i) qualification or pre-qualification of buyers if any; (ii) procedures for access to additional information about the assets, units or enterprise offered for sale; (iii) procedures for site visits; (iv) procedures for clarification and for amendment of the tender documents; (v) contents of the bid or proposal, including documentation and qualifications if any; (vi) contracts and other documents that will be part of the sale; (vii) criteria for evaluation of the bids or proposals and award; and (viii) form of payment.

22. The procedures for access to additional information about the sale, as well as for site visits will be fair to all potential buyers. To facilitate the process of due diligence by potential buyers, all information relevant to the transaction is usually kept in a data room. Two methods are used for ensuring that all



potential buyers have equal opportunity to access the information and for visiting the sites in question. For simpler transactions, formal procedures for requesting access to the data room and for site visits are processed on a first come first access basis, usually in conjunction with limits on the duration of the stay in the data room and the site visit. For more complex transactions that include a pre-qualification stage, only pre-qualified buyers are granted access to the data room and the sites. The procedure outlined above can also be utilized in this case; alternatively, each pre-qualified bidder is allocated a certain period of time during which only he will be able to visit the sites and the data room.

23. Notices to clarify and/or amend the tender documents will be sent by to all potential buyers at the same time. Clarifications will either be sent in response to questions submitted by potential buyers, or at the initiative of the Working Committee. In the first case, the clarification notice will include the question asked by the potential buyer, but it will not identify the potential buyer that asked the question.

24. It is desirable that all terms and conditions for the sale are finalized prior to the receipt of bids or offers. For simple transactions, it is recommended that award go to the highest bidder. For more complex transactions, it is recommended that a single criterion that is objective and quantifiable be used for evaluation and award, preferably price. In order to achieve this, all other considerations that are important to GoUP should be defined in the terms and conditions of the sale through contractual undertakings by the potential buyers.

25. Some complex transactions may require one or more of the following: (i) active marketing and promotion among potential buyers; (ii) pre-qualification of potential buyers; and (iii) consultation with potential buyers for finalizing the terms and conditions of the sale.

26. Active marketing for the more complex transactions, may involve the following activities in addition to the publication of the notice of sale of the assets, units or enterprise: (i) notice requesting formal expressions of interest from potential buyers; (ii) sending of promotional material in the form of an information memorandum to firms that expressed interest and to firms identified as desired potential buyers; and (iii) road show to visit interested candidates that have received the information memorandum.

27. Pre-qualification of potential buyers will be publicized as defined in paragraph 14 above. Terms and conditions for pre-qualification will be made available to interested parties. The pre-qualification terms of reference will include: (i) contents of the pre-qualification submissions, including required documentation; (ii) criteria for evaluation of pre-qualification submissions; (iii) date by which submissions will be evaluated and a final list of pre-qualified bidders will be announced; and (iv) clear indication that only pre-qualified bidders will be allowed to continue and submit a bid. It is desirable to have objective and quantifiable criteria for pre-qualification that are evaluated on a pass/fail basis.

28. If business plans are requested as part of the submissions for pre-qualification or bids and proposals, they should be indicative and they should be evaluated for their suitability as acceptable or unacceptable.

29. More complex transactions may require consultation with potential buyers before finalizing all the terms and conditions for the sale, in particular if GoUP will impose certain conditions to buyers. Typically these cases will also involve a pre-qualification stage. If this is the case, it is recommended that consultation take place once potential buyers have been pre-qualified. In all cases that involve a consultation process with potential buyers, it is important that the tender documents clearly identify the procedures and deadlines to be used in the process. The consultation process may involve the following steps: (i) one or more rounds of written comments by potential buyers; and (ii) one on one meetings with individual potential buyers.

30. In consultation processes, draft terms and conditions of the sale usually in the form of contracts and other undertakings are sent to all potential buyers at the same time. Formal, written comments must be received from potential buyers by a certain date as defined in the tender documents. The external advisors to the technical secretariat should analyze comments only after the deadline for receipt of comments. A recommendation to modify the terms and conditions should then be submitted to the seller for approval and issue of the final terms and conditions.

31. It is often desirable in consultation processes in order to maximize the potential for successfully completing the transaction in question, to better understand the implications of the comments received from the potential buyers, in particular those requests for modifications that may be “deal-breakers” from the perspective of potential buyers. In these cases a formal, structured process of meetings with individual potential buyers is often used after formal written comments have been received. These meetings have the sole objective of understanding the implications of the comments and requests for modification received and should not be construed as negotiations.

### **Guidelines And Procedures For Voluntary Retirement Scheme**

The Voluntary Retirement Scheme (VRS) was established in 1993 (GO No. 288/P.R.C./44-1/93-85/90) for the employees of public sector enterprises with a view to reducing surplus manpower. The key provisions of the scheme are as follows:

- An employee who has completed ten years of service or 40 years of age may seek voluntary retirement by a written request. The scheme is applicable to all officers/employees except Chief Executives and Executive Directors.
- Terminal benefits include: balance in the provident fund, cash equivalent of earned leave, payment of gratuity, and termination notice of one/three months depending on the conditions of service applicable to the employee.
- In addition, ex-gratia payments are provided of 45 days of pay (pay and DA) per year of service, or the monthly pay at the time of superannuation multiplied by the balance months of service left before the normal date of retirement, whichever is less.
- Travel allowance for the resettlement of the employee and his/her family is provided.
- The management of the enterprise has the right not to grant VRS for reasons to be recorded in writing.
- Posts that are vacated will not be filled.
- Where an enterprise is not able to bear the cost of providing VRS, the administrative department will take a decision on implementing the scheme only after getting a clear perspective of the availability of funds from the Government.
- Government reserves the right to enhance the VRS scheme for any particular enterprise based on the specific circumstances of the enterprise. Prior approval of the Department of Public Enterprises is required if any exceptions are to be made.
- Prior approval of the administrative department is required to implement the scheme.

2. To provide further guidance and clarification to the concerned PEs, ensure consistency in the application of VRS, and prevent the rehiring or redeployment of employees who have taken VRS in the same enterprise or in other parts of the public sector, additional guidelines and procedures are established. These are as follows:

- Temporary or casual employees and employees on a contract basis are not eligible for VRS. These categories are dealt with under the legal provisions of the appropriate enactments under administrative procedures of the organization.
- Employees who take VRS cannot be reemployed in the same PE, its subsidiaries and units, other PEs, or government departments.
- The concerned organization prescribes a time limit for employees in exercising the VRS offer.

Once the VRS application has been accepted by the organization and communicated to the employees in writing, employees cannot withdraw the application.

- Employees who are offered VRS but who do not accept the offer within the given time frame are retrenched with payment of terminal benefits.
- All outstanding amounts and dues payable by the employee to the organization (such as outstanding advances and loans) are adjusted and only the net benefit amount after the adjustments is paid.
- All amounts payable under the scheme are generally settled within 30 days from the day of acceptance of the request for VRS.
- Each organization prepares its VRS program and sends it to the administrative department for approval as part of the overall strategy for divestment or closure as applicable.
- After approval of the administrative department, the proposal is considered by the Cabinet as part of the overall strategy for divestment or closure. Following Cabinet approval, the scheme is communicated to the concerned organization by the administrative department.
- Changes to the benefits are made on an exceptional basis and require full justification and prior consultation with the administrative department and the approval of the Department of Public Enterprises.
- The concerned organization should first assess their own resources and decide the extent to which they can be utilized to finance the VRS. The balance amount can be sought by the Government.
- Government funds for VRS are maintained in the Finance Department and released to the enterprise through the administrative department as a loan to be repaid from the proceeds realized through the sale of assets or shares.
- The Department of Public Enterprises is responsible for the overall coordination and monitoring of the VRS program. The items to be monitored include: (i) number of employees who have taken VRS; (ii) VRS payments, including statutory and ex-gratia; (iii) source of funds used (government or enterprise); (iv) number of employees and VRS financing requirements for enterprises in the pipeline; (iv) changes in employment and output levels in the enterprise during the program period.

