

# MID TERM APPRAISAL OF THE NINTH FIVE YEAR PLAN (1997-2002)

## HIGHLIGHTS



सत्यमेव जयते

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MID TERM APPRAISAL  
OF  
THE NINTH FIVE YEAR PLAN  
(1987-2002)



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## CHAPTER 1

### State of the Economy and the Plan

- Growth rate of GDP during the first three years of the Plan is estimated to be 6.2 per cent per annum on an average as against a target of 6.5 per cent.
- Significant shortages in growth performance have been recorded in Agriculture, Mining & Quarrying and Manufacturing sectors, while Construction, Communications, Public Administration & Community Services have exceeded the targets.
- Both domestic savings and investment have fallen short of targets by over 5 per cent. The entire shortfalls are in the public sector, where public savings has recorded a shortfall of 70 per cent and public investment a shortfall of 23 per cent.
- Private investment has exceeded the target by over 3 per cent.
- Investment in agriculture and allied services, mining and financial services have fallen short of the targets by over 20 per cent. Registered manufacturing, construction and other services (including software) have exceeded their investment targets.
- In the final two years of the Plan, both public investment and public savings are expected to recover strongly, but are unlikely to attain the targets set in the Plan.
- The investment targets in Agriculture & Allied activities, Mining & Quarrying and Electricity are unlikely to be met in the last two years of the Plan.
- All other sectors are likely to meet the targets according to current trends.
- The balance of payments position is likely to remain comfortable in the last two years of the Plan despite rise in the international price of petroleum. The current account deficit is not expected to exceed 1.4 per cent of GDP for this period.
- External financing is expected to remain comfortable, with a mild acceleration in foreign direct investment and significantly higher inflow of foreign portfolio investment.
- The deterioration of the fiscal position is primarily due to serious slippages in the tax revenues, particularly at the Centre. The tax GDP ratio of the Centre was expected to be 10.4 per cent of GDP in 1999-2000, but the realized ratio is only about 8.7 per cent.
- Despite an expected revival in the tax/GDP ratio, it is unlikely that the central budget support to the Plan can be maintained at the target level. It is estimated that only about 87 per cent of the Plan target may actually be attained by the end of the Plan period. This compares unfavourably with the 93 per cent realisation during the Eighth Plan.
- Total public investment, as a result, would be about 81 per cent of Plan targets. During the Eighth Plan, the realisation in public investment was 85.4 per cent of the target.
- Due to serious slippages in public investment in physical and social infrastructure, the pipeline investment for the Tenth Plan will be low. This may weaken the possibility of significant acceleration in the growth rate during the Tenth Plan period.

## CHAPTER 2

### Public Sector Plan : Resource Position - Centre and States

#### Centre

##### Plan Projections and its Realisation:

- There has been a shortfall of 8.6 per cent in the Gross Budgetary Support (GBS) of Rs. 2,05,290 crore provided by the Centre for the Plan. Only a little below 50 % of the projected budgetary resources to be provided by the Centre for its own Plan could be made available during the first three years of the Ninth Plan. Central Assistance to States and UTs plan has been according to the pattern envisaged in the Ninth Plan.
- The Internal and Extra Budgetary Resources (IEBR) of Rs. 133,403 crore raised by the Central Public Sector Enterprises (CPSEs) were also lower by 18 per cent as compared to Plan Projections during the first three years of the Ninth Plan (1997-98 to 1999-2000).

##### Constraints:

- The expected buoyancy in Revenue Receipts particularly that of Union Excise did not materialize whereas, growth in Revenue Expenditure of the Centre substantially exceeded the Plan estimates. The non-plan expenditure growth has been mainly due to the following: a) Increase in interest liability on incremental domestic debt vis-à-vis projections, mainly due to larger market borrowings and higher market related rates of interest thereof; b) Impact of pay increase following the Central Fifth Pay Commissions recommendations; c) large increase in explicit subsidies on food and fertilizers; and d) large increase in implicit subsidies.
- The shortfall in the Revenue Receipts has been 5.6 percent, while growth in revenue expenditure of the Centre was 6.8 percent higher than the Plan projections.
- The widening gap between revenue receipts and revenue expenditure of the Centre resulted in sharp deterioration in the Balance from Current Revenue (BCR) of the order of Rs. 62,767 crore during 1997-2000.
- The improvement anticipated in the Internal Resource Generation and in the borrowings of the CPSEs has also not been forthcoming. As a result, the Internal Resource Generation and borrowings of the CPSEs

for their Plan investment were lower by 14 per cent and 13 per cent respectively compared to the Plan projections.

##### Fiscal Impact:

- The shortfall in mobilization of budgetary resources for the Plan in the first three years has been offset to some extent through a larger recourse to borrowings than projected in the Ninth Plan. However, increased borrowings have led to excessive fiscal deficit beyond sustainable levels.
- Thus, Gross Fiscal Deficit of the Centre has been increasing persistently. It accounted for 32 per cent of the total Central Government expenditure in 1997-98 and 1998-99 and will increase to 36 per cent for the year 1999-2000, leading to larger interest liability and revenue expenditure.

##### Policy Imperatives:

- Along with widening of the tax-base with regard to the services sector, recovery of arrears and enforcement of tax compliance, especially in case of direct taxes need more attention.
- Strict control over wasteful expenditure through adoption of Zero-base budgeting system for all Plan and non-Plan schemes; optimization of Budget provisions through re-prioritisation; and convergence of schemes and programmes have become essential.
- Speeding up of the process of dis-investment in non-strategic PSEs in order to mobilize more resources for Plan investment.

##### States

- Only 44.4 % of the projected resources have been mobilized by the States during the first three years of the Ninth Plan.
- There has been a massive deterioration in the contribution of 'Own funds' of the States to Plan resources and the ARM has been low. This has led to dependence on increased borrowings to finance their plan.
- The shortfall in the contribution of 'Own funds' of

the States has been mainly due to deterioration in States 'BCR' and unsatisfactory performance of State level Public Enterprises.

- Non-Plan revenue expenditure has increased at a faster pace than revenue receipts due to rapid increase in interest receipts and impact of pay revision.

- The performance of State Electricity Boards (SEBs) and State Road Transport Corporations (SRTs) among the State-level public enterprises has been quite dismal.

- The volume of tax devolution on account of Tenth Finance Commission recommendations also was lower than the projections due to shortfall in buoyancy of Central tax revenues.

## CHAPTER 3

### Agriculture and Allied Sector

- Currently the level of agriculture production and overall availability of foodgrains is satisfactory which is testified by the fact that the foodgrains stock available with Government are about 42.25 million tonnes while the required level for country's Public Distribution System (PDS) is only 24.30 million tonnes.
- Production of foodgrains during 1949-50 to 1998-99 increased at the rate of 2.5% per annum (p.a.) leading to not only self-sufficiency but also some surplus for export. However, compared to eighties, there has been deceleration in the growth rate of production of foodgrain and non-foodgrain crops during nineties, from 3.54% to 1.8% and from 4.02% to 3.17% p.a. respectively.
- Growth rate of milk production, though has declined slightly from eighties (5.39% p.a.), it has remained healthy at 4.78% p.a. during nineties. Similarly, growth rate of fish production has been a robust 4.7% p.a. during nineties. India has emerged as the largest milk producer in the world with production of 74.7 million tonnes. The country is also the second largest producer of wheat, rice and fruits & vegetables.
- The policy approach to agriculture, particularly in the 1990s, has been to secure increased production through subsidies in inputs such as power, water and fertilizer, rather than through building new capital assets in irrigation and power. This eats into public sector investments in agriculture, besides inducing inefficient use of scarce resources, leading to low public investment in irrigation and poor maintenance of rural infrastructure, specially canals and roads, decline in investments in rural electrification and demand constraints. This further aggravates environmental problems leading to loss of soil fertility or groundwater, which reduces returns to capital. Farmers therefore demand further subsidies to maintain the same level of production. Government is then compelled to give higher MSP, which further reduces investible plan funds. The net result has been that the pace and pattern of technological change in agriculture has become sluggish and TFP (total factor productivity) has gone down. The equity, efficiency, and sustainability of the current approach becomes doubtful.
- Only about 37% of Net Sown Area (NSA) is under irrigation and the remaining 67% is still rainfed. Most of the increased production in agriculture has come from the green revolution areas which have assured means of irrigation. The rainfed areas are still having very low yield per hectare and irony is that most of the rural poor live in these rainfed areas. Therefore, special urgent attention has to be paid for increasing productivity in the rainfed areas through ground water development and watershed management.
- Exploitation of ground water potential, especially in Eastern Region, where vast potential remains untapped, is sub-optimal. Procedural delays and heavy transaction costs have inhibited the pump schemes operated by the State Governments that leave little real subsidy for the farmers.
- Seed Replacement Rate (SRR) for the major crops like rice and wheat remained below 10% against the desired rate of 20%. Availability of location specific High Yielding Variety (HYV) seeds has been a problem; increase in seed production needs immediate attention.
- Besides the imbalanced use of fertilizers with NP&K ratio of 8.5:3.1:1.0 against the desired ratio of 4:2:1, the deficiency of micro-nutrients has increased especially in high productivity areas, whereas fertilizer use continues to be low in low productivity high risk prone areas largely dependent on rainfall.
- There has been plateauing of yields in high productivity areas and the extension has not only become outmoded but totally ineffective. In addition to State extension machineries, 314 KVKs (Krishi Vigyan Kendras) have been established for transfer of technology. But there is hardly any interaction between the Department of Agriculture & KVKs. The present Village Level Worker (VLW) and Community Development Block based manual extension system, which has become outmoded, should be replaced with a more modern and vibrant system.
- Gross Capital Formation in Agriculture (GCFA) as a percentage of total Domestic Gross Capital Formation (DGCF) has declined sharply to 9.4% in 1996-97 from 19.1% in 1979-80, at 1980-81 prices. At 1993-94 prices, the GCFA has come down from 6.3% in 1996-97 to 5.5% in 1998-99. The GCFA in public sector has registered a decline from 15.3% in 1980-81 to 4.9% in 1998-99. These declines are far too sharp.

- The contribution of agriculture in country's export has remained quite significant though it has marginally come down from 20.4% in 1996-97 to 18.5% in 1998-99.
- Trade in agriculture is besieged with a plethora of restrictions that continue to hamper its health and competitive potential. These, in turn, adversely affect the efforts of raising production and productivity. Therefore, all restrictions on movement, stocking, trading, credit by financial institutions, monopoly buying, processing and exports have to be removed to enable the farmers to take advantage of free market.
- Although the departments under the Ministry of Agriculture have consistently been demanding higher allocations than made, the actual utilization has been 83%, 68% and 89% only of allocations during the first three years of the Ninth Plan i.e. 1997-98, 1998-99 and 1999-2000 respectively.
- Some of the major reforms and structural issues like rationalization of subsidies on inputs, institutional reforms relating to rural credit, opening of lease market in land, popularization of Integrated Pest Management (IPM) and Integrated Nutrient Management (INM), strengthening of post harvest handling processing, storage/cold storage and marketing facilities, strengthening of Dairy Cooperatives, review of policy on deep sea fishing etc. need to be addressed.
- Sugarcane production follows a cycle of highs & lows putting the sugarcane based industries into uncertainty. Sugar industry though de-licensed, still continues with lot of regulations and controls, including the levy on sugar, release of free sale sugar quotas, distribution and pricing of molasses, etc. Natural growth of Khandasari has also been blocked by unimaginative and unfavourable production policies which are neither in the interest of farmers nor even consumers. All these controls should be done away with as they have been hampering the growth of industry. The era of chronic shortages of sugar being over and the emergence of free trade regime under WTO make it more imperative than ever before that the industry is allowed to develop its own strength in terms of efficient production having competitive costs, quality and value addition, if it has to survive.
- Application of frontier sciences like bio-technology, remote sensing technology, post harvest management and processing technologies, energy saving technologies and technology for environment protection, need to be encouraged in the national research system as well as proprietary research.
- Attention is needed for cultivation of fodder crops and fodder trees to improve animal nutrition. An integrated approach for regeneration of the grazing lands needs to be evolved. A back up of technological innovations to evolve new varieties of grass/fodder would help to give a fillip to overcome fodder shortage.
- The Department of Agriculture and Cooperation has 182 attached/subordinate/ autonomous offices with a huge staff. This is notwithstanding the fact that Agriculture is a state subject. The Department runs 131 schemes with the total 9th Plan outlay of Rs.9154 crore. A number of schemes are being implemented from early 1960s/70s without having any evaluation done to know their shortcomings, impact etc.
- Crop oriented schemes need to be organised on cropping systems based approach instead of crop specific approach to avoid overlapping in their contents and even differing subsidy patterns.
- Diversification of agriculture has to be undertaken in a big way. The emphasis so far has been on specific crops, which has now to shift to evolving not only integrated cropping systems but integrated farming systems including development of animal husbandry & dairying, horticulture, fish, sericulture and apiculture etc.
- India has one of the largest Agricultural Research System in the world. With Indian Council of Agricultural Research (ICAR) at the top we have 30 State Agriculture Universities (SAUs), 46 Institutes including 4 Deemed Universities, 4 National Bureau, 9 Project Directorates, 31 National Research Centres, 158 Regional Stations and 80 All India Coordinated Research Projects (AICRPs). Our research system has made a commendable contribution to increasing agriculture production and productivity. Development of high yielding and disease resistant varieties has been the major hall mark. However, the research system now having such a huge manpower and infrastructure is being perceived to be having a very weak transfer of technology programme. The research mandate and curricula have also to undergo a change to meet the second generation problems including the one thrown up by the liberalized WTO System.



## CHAPTER 4

### Irrigation Flood Control and Command Area Development

- Continued tendency to start more and more new major and medium irrigation projects resulting in proliferation, thin spreading of resources and consequent time and cost over runs.
- Concerted efforts to be made for completion of all ongoing projects, at least those which were started during pre-5th Plan period as a time bound programme.
- To plan conjunctive use of surface and ground water resources, right from the initial stage of a water resource development project.
- To Improve water use efficiency through renovation and modernization of existing systems.
- Water rates to be raised and water use to be rationalized to foster the motivation for economy in water use.
- Farmers to be involved in the management of irrigation systems in a phased manner.
- Development and utilization of ground water potential particularly in the Eastern region to be promoted with reference to technical, environmental and economic considerations through beneficiary-farmers' direct participation in investment, implementation and management.
- To promote adaptive research and development to ensure more cost effective and efficient execution and management of irrigation
- To take steps for greater flow of institutional finance in the implementation of minor irrigation schemes.
- To bridge the gap in potential created and utilization by strengthening the Command Area Development programme.
- In flood management more and more area to be provided with reasonable degree of flood protection with more focus on non-structural measures.
- Need for a higher level of funding for flood protection works by the States.
- 13. To encourage private sector participation in irrigation sector.

## CHAPTER 5

### Industrial Development

#### Performance of The Industrial Sector:

- Industrial growth revived slightly to 6.6 percent in 1997-98 from 5.6 percent in 1996-97, but faltered in 1998-99, resulting in a shortfall from the projected average annual growth rate of 8.2 per cent for the Ninth Plan,
- Revival of Industrial growth started in the 1999-2000 with the overall growth of 8.3 percent in Index of Industrial Production during 1999-2000.
- Revival of the capital market coupled with the return of small investor to the primary market due to improvement in the investment climate and
- Industrial sector would need to grow at around 10 percent to make up for the shortfall in the remaining period of Ninth Plan to achieve the Ninth Plan target.

#### Reasons for Slowdown in Industrial Growth

- Slackening in aggregate demand coupled with decline in rural demand owing to low agricultural output in 1997-98,
- Slow down in general investment climate,
- Erosion of competitive advantage of Indian exports due to steep depreciation of South-East Asian currencies, and
- Persistence of infrastructure bottlenecks,

#### Industrial Reforms Initiatives

- Delicensing of coal & lignite and petroleum (other than crude oil),
- Amendment of Mines and Minerals (Regulation and Development) Act,
- Special package for revival of exports growth,
- Repeal of Urban Land Ceiling Regulation Act,
- Buy back of shares and liberalization of technology imports,
- Enhancement in the ceiling for plant and machinery

for tiny units from Rs.5 lakh to 25 lakh and for small from Rs.60 lakh to Rs.300 lakh in 1997 which was subsequently reduced to Rs.100 lakh in 1999,

- Credit upto 60 percent under priority sector lending to SSI sector marked for the tiny sector,
- Gradual enhancement of excise duty exemption limit for the small scale sector including tiny units from Rs.50 lakh as on 1.4.1997 to Rs.100 lakh in August, 1999 and
- Amendment of Small Scale and Ancillary Industrial Undertakings Act to ensure timely payments to the small scale industrial units for supplies made by these units to large industrial units.

#### Areas Requiring Attention

- Disinvestment of Public Sector Enterprises (PSEs),
- Closure of non-viable sick PSEs,
- Review and revamping of BIFR,
- Review of feedstock and pricing policy for fertilizers
- Concerted efforts at national and international levels to face the challenge and reap the benefits of WTO commitments and
- Strengthening and creating competitive and dynamic industry-R&D linkages.

#### Problems Facing the Indian Industry

- Inadequacy of infrastructure and lack of investment,
- High cost of finance and investment,
- High cost of power, freights, port charges and congestion of ports,
- Anti dumping duties imposed by developed Countries against Indian exports.
- Non-tariff barriers imposed by developed countries and
- The Inspector Raj on small industries.

## CHAPTER 6

### Poverty-Alleviation Programmes

- Poverty had declined substantially in 1980s. Proportion of people below poverty line declined from 54.9 % in 1973-74 to 36 % in 1993-94. However, recent estimates suggest that the projections on reduction of proportion and number of people below poverty line made in the Ninth Plan have not been realised in the first two years of the plan period.
- This may be due to: sluggish agricultural growth which was also less well spread out; labour absorption did not increase hence slow down in growth of real wages; failure of poverty alleviation and watershed development schemes; continuance of certain policies that act against the interest of the poorest, especially tribals; inadequate reach of TPDS to the poorest in the northern and eastern states; fiscal crisis caused by the V Pay commission that led to reduced ability of the states to spend on social sectors; limited growth of rural non-farm sector; and poor governance.
- **Integrated Rural Development Programme (IRDP):** evaluation points: sub-critical investment; unviable projects; illiterate and unskilled beneficiaries with no experience in managing an enterprise; indifferent delivery of credit by banks, overcrowding of lending in certain projects such as dairy; under emphasis on activities like trading, service and even simple processing, poor targeting and selection of non-poor; rising indebtedness; scale of IRDP outstripped capacity of government and banks to absorb.
- **Integrated Rural Development Programme-Allied Programmes:** TRYSEM not dovetailed with IRDP. Non-existent training centres, non-payment of stipend (Chhapra study). DWCRAs did well in some states (AP, Kerala, Gujarat).
- **Sawarnjayanti Gram Swarozgar Yojana:** (the successor to IRDP) aims at micro-enterprises with emphasis on cluster approach. It is a credit-cum-subsidy programme. Focus on self-help groups. In the past, subsidy orientation leads to corruption and distortion of objectives. Too early to evaluate.
- **Jawahar Rozgar Yojana** evaluation points: inadequate employment (11 days as per concurrent evaluation); thin spread of resources; violation of material-labour norms; corruption (fudging of muster rolls). Projects were executed by contractors who sometimes hired outside labourers at lower wages.
- Positive aspects: durable community assets and empowerment of gram panchayats. Redesigned in April 1999 as **Jawahar Gram Samridhi Yojana**. Primary aim now rural infrastructure. Employment is secondary. Too early to evaluate.
- **Employment Assurance Scheme:** Initially demand-driven. Funds went to better-off states. Evaluation by PEO: scheme is being executed through contractors in most of the States in violation of the central guidelines; the norm of 60:40 for wage and material is not maintained; the genuine muster rolls are not being maintained by the Gram Panchayats. Family cards have not been issued; the system of registration of job seekers with Gram Panchayats is not in vogue; Central norms of earmarking, 40 per cent of funds for watershed development and 20 per cent for minor irrigation, have not been followed.
- From April 1999 restructured as the single wage employment scheme; became allocative; 30% of funds allocated to district reserved for areas suffering from endemic labour exodus/areas of distress. Need to shift focus only to backward areas; should not be a universal scheme.
- **NSAP:** Well-targeted. Fewer leakages reported. Needs more resources.
- **Delivery mechanism:** A major weakness in the implementation of poverty alleviation programmes has been the lack of adequate participation by the people for whom the programmes are meant. There should be emphasis on the role of PRIs and NGOs.
- **State Initiatives:** do better because of better ownership and flexibility in the design of programmes to suit local conditions. Examples: Gokul Gram Yojana, Apna Gaon Apna Kaam, Kudumshree.
- **Rural Housing :** Indira Awaas Yojana (IAY) became an Independent CSS from 1.1.1996. Free of cost houses are provided to below poverty line families. Unit cost is Rs.20,000 in plain and Rs.22,000 in hill/tribal areas. Updation of existing houses at a unit cost of Rs.10,000 is now permissible. A new component of credit-cum-subsidy has also been added. In any given village/block/district it would take a long time before all the families are covered. This is dividing the poor instead of helping them to

organise into groups. Despite orders, gram sabhas are not active in deciding beneficiaries.

- **Land Reforms:** Access to land is still critical for employment and income generation in rural areas.
- Access to land is possible through liberalisation of leasing, but leasing-in should be limited to small and marginal farmers. In areas characterised by feudal/semi feudal modes of production, there is need to further strengthen the existing laws for security of tenure of the poor.

- Alienation of tribal land continues unabated but needs to be arrested.
- Gender inequality exists in both inheritance laws and land laws. Suitable Amendments are required to make inheritance laws to agricultural land more gender equal.
- There is need to update land records and to computerise them to make access to information easier.

## CHAPTER 8

### Public Distribution System and Food Security

- Despite hefty increase in the annual food subsidy from Rs.2,450 crores in 1990-91 to Rs.9,200 crores in 1999-00, all is not well with Public Distribution System in India. There is 36% diversion of wheat, 31% diversion of rice and 23% diversion of sugar from the system at the national level. TPDS does not seem to be working in the poorest North and North-Eastern States.
- The allocation of poorer States such as UP, Bihar and Assam got more than doubled, as a result of shifting to TPDS, yet due to poor off-take by the States and even poorer actual lifting by the BPL families, the scheme has not made any impact on the nutrition levels in these States.
- There is lack of infrastructure and shortage of funds with government organizations in most States except the few in West and South. Adequate infrastructural capacity, in addition to funds, should be ensured at the district and block levels, otherwise wasting scarce resources through leakages helps only contractors and corrupt Government staff, and does not in any way help the poor.
- Some other problems associated with the scheme besides illegal diversion are : poor do not have cash to buy 20 kg. at a time, weak monitoring, lack of transparency and inadequate accountability of officials implementing the scheme, and price charged often exceeds the official price by 10 to 14%.
- In spite of foodgrain production going up from 175 million tonnes to 206 million tonnes in the 90s, the growth rate in availability of foodgrains per capita has come down to (-) 0.28% per annum as compared to a growth rate in per capita availability of 1.20% per annum during the 1980s. Further, the food consumption of the poor in India has gone down in the last 10 years (and is at least 33% below as compared to per capita consumption of the top 10%). This is a very serious matter taking huge public stock of foodgrains into account. There is a strong case for using these stocks for reducing rampant malnutrition among the vulnerable sections of the society.
- The challenge is to reduce foodstocks to roughly half its present level and use it for reducing malnutrition, without adversely affecting the food security. This would need several legal and policy changes, which would make markets less distorted than these are at present.
- To take full advantage of a common market, there is a need for Central Act to ban controls and restrictions on all kinds of trade in agricultural commodities within the country. Common markets, all over the world, are coming into vogue transcending the political boundaries of the nation States. Limiting the size of the common economic space of the vast country, is against the current economic trend and needs to be discouraged. The entire country should be treated as one big market.
- While it would be expedient to continue with support price for agricultural produce like wheat, paddy, cotton, etc., the need to abolish or phase out levy or monopoly purchase should be considered. Levy acts as a tax on the processors which is then passed on to the producers/consumers. Government should buy rice for its public distribution system through an open tender system.
- Remove licensing controls on Roller Flour Mills and other food processing industry in the States.
- Food Corporation of India should be allowed to intervene in the market for foodgrains within a predetermined price band with a view to moderate prices as well as to facilitate management of its surplus food stocks.
- Essential Commodities Act should be scrapped at an early date. At least, wheat, rice and sugar should immediately be taken out of its purview.
- Sugar should be fully decontrolled and taken out of PDS.
- The ban on Futures Trading of agricultural commodities should be lifted. This will help in containing the wide fluctuations in commodity prices, besides cut down the cost of marketing by hedging their risk.

## CHAPTER 9

### Watershed Development: Rehabilitating Degraded Lands & A Means of Sustainable Development

- The estimates of extent of wastelands range from 76 million hectares to 175 million hectares. Up to the end of Eighth plan period, 16.5 million hectares of rainfed/degraded land have been treated/developed under different schemes. However, these achievements do not get reflected in the data for Net Sown Area, which has almost remained stagnant at around 142 million ha for the last thirty years. This indicates that either the treated lands were already under cultivation or an equal area is getting degraded or diverted for non-agriculture purposes, or there was no sustainability of the efforts made. The possibility of bogus reporting also cannot be ruled out. Allocation to Watershed Development Programmes has been considerably enhanced in the 9th Plan. NABARD has also set up a fund in 1999-2000 to cover 100 districts within 3 years under watershed development approach.
- Watershed Development Programmes are being implemented by several departments of Government of India, often with different guidelines leading to confusion. Even when approach or guidelines are common, sanction of funds is done by different departments and each does separate monitoring. The need for 'a Single National Initiative' has been felt for some time, and was also articulated in the 1999-2000 budget speech of the Union Finance Minister, and in the President's Address for 2000-01. This should be implemented.
- Evaluation reports have shown that watershed projects cannot succeed without full participation of project beneficiaries and careful attention to issues of social organisation. This is because success depends on consensus among a large number of users. Moreover, collective capability and action is required for management of commons and for new structures created during the project. Then the costs and benefits of watershed interventions are location-specific and unevenly distributed among the people affected. Unfortunately most projects have failed to generate sustainability because of the failure of government agencies to involve the people. Field staff has no incentive to make the effort to pursue participatory approaches. Pressure to spend substantial resources by a fixed deadline does not enable peoples' capability to develop. Strict orientation to achieving physical and financial targets discourages project authorities to promote peoples' participation. It is imperative for successful implementation of the watershed projects that people participate in the planning and execution of the project from the beginning. This would also inculcate a sense of ownership among the people. Similarly, issues of equity need to be incorporated in the design of the project itself to ensure projects sustainability. There is continued insecurity about availability of funding at the grassroot level, as there is no guarantee that funds would be released in time by the GOI or other funding agencies. Other problems are:
  - There is no arrangement for handing over of structures and maintenance of plantation after a project is completed. Therefore, sustainability of projects gets impaired.
  - In the present form, schemes are left to be planned and executed by district level officers. The capability of district level officers to do planning and to prepare a good project is extremely limited. There is a need to train both the government officials and functionaries of agencies which take up watershed projects. Moreover, once it is realised that senior officers from the divisional and State capital take no interest in such schemes or their interest is limited to monitoring of financial expenditure alone, the quality of project preparation and of implementation suffers a great deal.
  - There is little impact assessment or evaluation of physical progress after the scheme has run for a couple of years. It is taken for granted that once money has been spent, physical progress automatically results. One can never be sure that soil conservation structures may not last for more than a few years, or plantation may not survive.
  - Programmes are run departmentally with vertical compartmentalization. Horizontal linkages between various line agencies at the district level are very weak. Thus, although watershed development may require integration of soil conservation techniques with plantation, there is little likelihood of effective coordination between the District Soil Conservation Officer and the District Forest Officer.
  - A new Department of Land Resources has recently been created in April, 1999 by merging the schemes of area development, such as DPAP, DDP (Desert Development Programme) and watershed

development/soil conservation/social forestry part of the Employment Assurance Scheme with the present Department of Wastelands Development. In order to ensure that past mistakes are not repeated, the new Department would have to lay greater emphasis on performance. Capacity building of grassroot organisations in planning, monitoring, implementation and marketing should be the future strategy. There should be constant monitoring, evaluation, impact assessment by external experts. NABARD, MANAGE, NIRD, etc should be involved in this exercise. High priority should be given to rejuvenation of village ponds and tanks, and recharge of groundwater.

- It is important to look at forest lands, non-forest pastures and wastelands and crop lands in an integrated manner. This is often not done as treatment upstream to reduce soil movement does not benefit large farmers who are downstream. They see no advantage and are indifferent or opposed to this strategy. They would prefer to conserve and harvest water in the drainage line so that it can be used

directly for irrigation or to replenish groundwater. However, lands in the upper catchment should be rehabilitated first for at least three reasons. First, so that the landless and the poor who depend on upper slopes can benefit; groundwater recharge begins at the earliest; and third, by the time the lower catchment is treated any debris and erosion running down from the upper catchment has been minimised.

- Despite problems there are many successful stories, especially in the states such as Madhya Pradesh and Andhra Pradesh where state initiatives have been taken. Characteristics of successful and sustainable projects such as Ralegaon Siddhi, revival of johad in Alwar, Sadguru Water and Development Foundations activities in Gujarat, Watershed Development in Jhabua and Sagar districts of Madhya Pradesh are: the emphasis on social issues, social mobilisation, clear direction to Government machinery to accept principles of participatory management, visible project monitoring and strong sense of ownership by the local community.

## CHAPTER 10

### Decentralisation - Panchayati Raj Institutions (PRIs)

- Under the 73rd Constitutional Amendment Act, 1992, Panchayats have been constituted after elections in all the States except Assam, Arunachal Pradesh, Bihar, and UT of Pondicherry. In the States of Haryana, Karnataka, Madhya Pradesh, Uttar Pradesh and West Bengal, second round of elections for PRIs have been held recently.
- Many State Governments are yet to transfer the three Fs i.e. Funds, Functions and Functionaries to PRIs as mandated by the 73rd Constitutional Amendment Act.
- The recommendations of the State Finance Commission (SFC), by and large, pertain to share of taxes which are less buoyant. No linkage between devolution of funds to panchayats and their responsibilities. It would be better if the panchayats are given the responsibility to collect certain taxes, and devolution from above is linked to their own tax effort.
- In many States, PRIs have not been empowered by devolving developmental functions on them. In Andhra Pradesh and Haryana government departments continue to deal with the subjects earmarked for PRIs. Kerala, Madhya Pradesh, Rajasthan and Uttar Pradesh have transferred Subjects to PRIs recently. In addition, the staff of the Line Departments handling these subjects has also been transferred to the Panchayats. However, little is known about the effectiveness of panchayat control over the staff.
- District Planning Committees (DPCs) constituted only in Kerala, Madhya Pradesh, Rajasthan, Sikkim, Tamil Nadu, Tripura and West Bengal. Haryana and Karnataka have set up DPCs only in a few districts.
- Many States have not yet spelt the powers of Gram Sabha. Qualifications and exceptions in exercise of powers of Gram Sabha have undermined their authority in many States. Meetings of the Gram Sabha are held rarely. However, in some States, at least two meetings of Gram Sabha in a year are mandatory. Recommendations of the Gram Sabha are binding on Gram Panchayat only in Kerala and Madhya Pradesh.
- The Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 (PESA) extend Panchayats to the tribal areas of Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Orissa and Rajasthan to enable the tribal society to preserve and conserve their traditional customs and rights. Bihar has not enacted a State law to extend provisions of PESA to Scheduled Areas.
- As per the Act, the Gram Sabha/Panchayat are given mandatory powers, powers to be consulted, powers to recommend and powers to enforce prohibition, ownership of minor forest produce, prevent alienation of land in the Scheduled Areas and control of local resources for State Plans including Tribal Sub Plans.
- Implementation of PESA is hampered by most State Governments & there is reluctance to enact State laws that conform to the letter and spirit of PESA. Review of the State Acts shows that most State Acts have assigned a less prominent role to Gram Sabha/Panchayat in Scheduled Areas than was intended by PESA. In Orissa, Gram Sabha/Panchayats have been given very few powers. In many States, powers earmarked for Gram Sabha/Panchayats have been entrusted to Taluka and Zilla Parishads.
- Forest products such as cane, bamboo, mahua seeds have been excluded in almost all states from definition of minor forest produce which renders the gram sabha powerless to exercise any control over MFPs. This is against the Central law.

#### Evaluation Findings

- There are instances of harassment by Block level officials. Systems which require Gram Panchayat Pradhan / Sarpanch to approach Block office for funds and/or technical approval need to be drastically changed. Village bodies should be able to spend funds on their own without having to take technical approval from government officials. However, in many States, Village Panchayats have been authorized to take up projects up to Rs.50,000/- and in Kerala, up to Rs. 3 lakhs without Government approval.
- In spite of various drawbacks and lacunae in constitution of PRIs, and the fact that political leaders even at the PRI levels tend to imbibe the political culture of that state, there are many instances where



village Sarpanches have done commendable work in improving the social and economic life of the common people.

- Reservation of constituencies by rotation for different groups has led to a very short term view being taken by the elected representatives as they have no prospect of re-election.
- On the whole, the ordinary village people feel optimistic about the potential of panchayats, but they think that it has not brought the fruits of development to them. Corruption is singled out as the most important cause for the ineffective functioning of these institutions. Control which is exercised by the

sarpanch and Block Level officials over the village panchayats and gram sabhas has not only buttressed corruption, but it has also led to pessimism that villagers at their own level cannot change and improve performance because of heavy dependence on elected functionaries or Block officials. However, many success stories have been reported where enlightened Gram Pradhans have made significant contribution to the development of the villages. Devolution of powers and functions to Panchayati Raj Institutions is a step in the right direction and overtime these Institutions are expected to emerge at strong Centres of local governance responsive to the needs of the village community.

## CHAPTER 11

### Urban Development, Housing and Poverty Alleviation

- In view of the fast pace of urbanisation and the growing gap between demand and supply of the basic infrastructure facilities accompanied by environmental degradation affecting the quality of life of urban population, an integrated urban management policy incorporating different facets like development planning, resource mobilization, capacity building, responsive administration etc. is a key concern.
- The annual growth of urban population over the last four decades has been about 7 to 8 million people. The level of urbanization increased from 17.3% in 1951 to 25.7% in 1991.
- Urban poverty remains an area of significant and persistent neglect in public policy and is a manifestation of lack of income and purchasing power attributable to lack of productive employment, high rate of inflation, lack of access to social infrastructure, affecting the quality of life of the people. The 1993-94 official estimate of the total urban population 'below poverty line' was 32.36%.
- The modified urban poverty alleviation programme re-named as Swarna Jayanti Shahari Rozgar Yojana (SJSRY) consists of two schemes, (a) the Urban Self Employment Programme (USEP) and (b) the Urban Wage Employment Programme (UWEP). Impact assessment has been suggested.
- As part of Urban sector reforms and to improve the quality of urban governance, the Constitution (74th Amendment) Act, 1992, envisaged effective decentralisation of the functions to the Municipalities including authorization to levy, collect and appropriate taxes and duties to augment the resources of the ULBs. To improve the quality of urban governance, it would be necessary to ensure appropriate follow-up action with reference to the 74th Constitutional Amendment in letter and spirit.
- Two Centrally Sponsored Schemes, viz., Integrated Development of Small and Medium Towns and Megacity were launched to upgrade and develop infrastructural facilities. Comprehensive review of the guidelines keeping in view the suggestions of the Planning Commission is being undertaken.
- The National Capital Region Planning Board (NCRPB) was established to contain the pressure on population on Delhi and to attain balanced and harmonious development of Delhi and the adjoining areas of the neighbouring states. However, the concept of NCR Delhi has not yet succeeded due to inadequate coordination within/ among the member states, provision in the outlays of the States/ Central Ministries, prioritisation of projects, delay on the part of the member states to conform to the requirements envisaged making the programme coherent, etc.
- Delhi being the National capital could have served as a model city. However, the haphazard growth over the years has resulted in unauthorized settlements, growth of slums, pressure on infrastructure facilities like water supply, sewerage, power, etc accompanied by environmental degradation, increasing crime. Multiplicity of urban management agencies have made coordination among the agencies difficult.
- For effective urban planning, the scope of the scheme for Urban Mapping using high resolution satellite remote sensing technology requires to be widened to include areas like drainage, sewerage, low cost sanitation, urban waste management etc.
- Urban transport development, a crucial component of urban infrastructure needs to be accorded a higher priority.
- Housing is essentially a private, self-help activity. However, State intervention is necessary to meet the housing requirements especially of the weaker section of the society. Housing and Habitat policy, 1998 envisages "Shelter for All". NBO, estimated the urban housing shortage at 8.23 million in 1991 and projected to decline to 7.57 millions in 1997 and 6.64 millions in 2001. Another estimate (Habitat-II) indicates that the urban housing shortage would increase to 9.4 million. Apart from Cooperatives and private sector, the Public Sectors also promoting the housing activities. HUDCO has contributed to the housing stock for the poor. Of late many States are not availing the loan facilities of HUDCO to the desired extent due to certain problems and their inability to conform to the procedural requirements. The Planning Commission have suggested modification of the Housing policy to incorporate affordable housing programme for the BPL category.
- Another fallout of absence of structured housing schemes for the urban poor is the rapid growth of slums causing tremendous pressure on urban basic services and infrastructure. Recognising the need for greater attention in this area of concern, the National Slum Development Programme (NSDP) was launched during 1996.

## CHAPTER 12

### Education

#### Education

- There has been a three-fold increase in the outlay for Education in the Ninth Plan over the earlier Five Year Plan.
- The period 1991-97 has shown remarkable increase in female literacy. The literacy rate for women increased from 39.3% in 1991 to 50% in 1997.
- Elementary Education accounts for 65% of total outlay allocated for Education sector.
- Large scale innovations have been carried out in field of elementary education by State Governments and NGOs.
- The Mid Day Meal Scheme has been a major factor in increasing attendance in schools and a reduction in drop-outs of students.
- Due to various initiatives taken drop-out rates have shown a declining trend from 45% in 1992-93 to 39.58% in 1997.
- During the Ninth Plan, in the field of Adult Literacy, area specific approach in a campaign mode were adopted in respect of women and unorganized sectors of Society.
- The programmes of total Literacy Campaign and Post Literacy Campaign have faced some difficulties in low literacy States, mainly due to absence of voluntary organization.
- The literacy rates in all NE States are higher than national average.
- Special emphasis is being laid during the Ninth Plan on strengthening teacher education in the North-Eastern States.
- In Secondary Education specific action plans have been initiated for revisions of curricula, Vocationalisation of Education, Distance Education, etc.
- During the first-half of the Ninth Plan quality improvement was sought to be brought about by setting up Inter-University Centres and modernization of syllabi.
- Polytechnics have been upgraded to help the disabled students in the technical education sector.
- Efforts have been initiated to increase students intake in undergraduate and post-graduate courses in computer disciplines at Regional Engineering Colleges.
- Apart from increasing intake and upgrading facilities in existing institutes to meet the increased demand for IT professionals, there is urgent need to increase the number of Institutions for which action has been initiated.
- The Indian Institute of Information Technology has been set up at Allahabad. The Indian Institute of Information Technology and Management has been set up in Gwalior and the IIM has been set-up at Indore during the period under review.
- States are to be persuaded vigorously to implement 73rd and 74th Amendments of the Constitution as these facilitate the states to transfer the management of Primary Schools and Upper Primary Schools to Panchayats / Local Bodies.
- Lack of adequate training programmes in the area of Information Technology and software development.
- The Technology Development Missions have successfully created links between institutions and industries which need to be further strengthened.
- Fees for all courses in universities and colleges need to be increased to a reasonable level. Meritorious as also poor students could be given suitable concessions and freships.

#### ART & CULTURE SECTOR

- The scheme of financial assistance for strengthening of regional and local museums has been revised. In order to seek international standards museums require face lift with aided attractions in terms of display of artifacts, curio counters and kiosks. Museums have been directed to give emphasis to digitization and documentation of works of arts objects as part of the plan activities.
- The National Culture Fund has been set up in 1997. The private sector is being involved to support the

activities of the cultural sector by making contributions to this fund.

- There is a need to constitute a National Commission on museums which should be given the mandate to review the current status of museums in the context global developments in this area as well as recommend steps to improve their conditions.
- The Archaeological Survey of India needs additional funds for maintaining existing monuments as well as for undertaking protection of new sites.

### Youth Affairs & Sports sector

- The Deptt. of Youth Affairs & Sports has formulated a scheme known as the National Reconstruction Corps (NRC) in 1999-2000 for the benefit of youth. This has been started on a pilot basis.
- Various schemes of the Deptt. relating to Sports have been revised and financial norms upgraded keeping in view the need and changing circumstances.
- To encourage sports persons, the scheme of Special Award to 'Medal Winners in International Sports Events and their Coaches has been revised.
- One of the weak aspects of Nehru Yuva Kendras has been the lack of proper linkage with other development activities at the operational level (district/ block). This needs looking into
- To encourage participation of weaker sections in activities of NYKS, the programme contents have to be suitably structured to meet their requirements.
- The progress of sports infrastructure development in the States has been slow.

- There is a need to prepare a new sports policy where high priority is given for promotion of sports in rural areas.
- The mass media needs to be mobilized more imaginatively and effectively for introducing a sports culture in the country.
- For excellence in sports a backup of improved technology is necessary.
- Specific efforts should be made for tapping indigenous potential available for swimming in coastal areas, archery in tribal areas.
- Sports schools should be set up in States in collaboration with private sector by providing them with attractive incentives.
- Better incentives are needed for sportspersons.
- Sports and physical education should be integrated effectively in the educational curriculum .
- A policy for promoting the participation of NGOs and industries in sports should be evolved.
- There is need to promote Research and Development in sports. There is need to initiate research in sports medicine.
- The Deptt. of YA&S should formulate a special scheme for the promotion of sports and games among the disabled persons.
- There is critical shortage of coaches in the N.E. Region. Persons from North Eastern Region itself should be trained and appointed as coaches on contract basis, so that they take more interest in making their sportsmen perform better.

## CHAPTER 13

### Empowerment of Women and Development of Children

The Ninth Five Year Plan is committed to - i) 'Empowerment of Women' through creating an enabling environment for women to exercise their rights, both within and outside home, as equal partners along with men and ii) 'Development of Children' through placing the young child on the top of the country's development agenda with a special focus on the Girl Child.

#### Empowerment of Women

- Towards empowering women, efforts are being made - i) to finalize the draft 'National Policy for Empowerment of Women'; ii) to legislate reservation of not less than 1/3 seats for women in the Lok Sabha and in the State Legislative Assemblies and thus ensure adequate representation of women in decision making; iii) to adopt an integrated approach towards empowering women through effective convergence of existing services, financial and human resources, and infrastructure in both women-specific and women-related sectors; iv) to adopt a special strategy of 'Women's Component Plan' to ensure funds / benefits flow to women from other relevant sectors; and v) to organize women into Self-Help Groups and thus mark the beginning of a major process of empowering women.

#### Action Taken / Progress Made

- A Committee on Empowerment of Women was constituted in March 1997 by Lok Sabha to review the progress of empowering women from time to time. The Committee has, so far, reviewed the progress of the development schemes for rural women.
- A Group of Ministers was set up in July, 2000 to examine/finalise the proposal of the formulation of a National Policy on Empowerment of women.
- A Task Force on Women and Children was constituted in August, 2000 to review all the related aspects of empowering women, besides drafting a programme for celebrating 2001 as 'Year of Women's Empowerment'.
- A review of the implementation of Women's Component Plan in August, 2000 has brought forth that - i) a few Central Ministries / Departments like Health and Family Welfare, Education, Labour, Agriculture, Rural Development, Urban Affairs and

Employment, Small Scale and Agro Industries, Non-conventional Energy Sources, Science and Technology are already channelising the flow of funds/benefits to women; and ii) States like Karnataka, Kerala, Gujarat and Himachal Pradesh also made initiatives of earmarking funds under Women's Component Plan.

- To organize women into Self-Help Groups (SHGs) and equip them with the services of awareness generation and income generation through training, employment, credit and marketing linkages to small women entrepreneurs etc., programmes like Indira Mahila Yojana (IMY) and Rural Women's Empowerment and Development (RWDEP) have been launched. Of the total Ninth Plan target of 50,000, more than 37,000 Groups were set up benefiting about 8 lakh women.
- Towards promoting employment and income generation - programmes like Support for Training and Employment (STEP), Training-Cum-Production Centres (popularly known as NORAD), Socio-economic Programme (SEP) and Condensed Courses of Education and Vocational Training (CCEVT) have been benefiting more than 5 lakh women both in traditional and non-traditional sectors.
- On the suggestion of the Planning Commission, action has already been initiated to merge all the training-cum-employment-cum-income generation programmes under one single umbrella programme viz., Integrated Programme for Training and Employment for Women.
- Welfare and Support Services are being extended through programmes like Hostels for Working Women, Short Stay Homes and Family Counselling Centres etc. So far, 840 Hostels have been constructed all over the country to provide accommodation for more than 75,000 working women and their dependent children. Around 360 Short Stay Homes all over the country are taking care of 12,000 women and girls in distress, at present. The mid-term appraisal recognizes the increasing demand for these services and suggests expansion.
- The Ninth Plan attaches great importance to the awareness generation and gender sensitization programmes to change the mind-set of the people, besides projecting positive image of women and the

girl child. Efforts are also being made to gender sensitize the policy makers, planners, administrators, implementers, enforcement machinery etc.

- The other enabling measures include - i) safeguarding the rights and interests of women through the efforts of the National Commission for Women ; ii) extending micro-credit to poor and assetless women through the efforts of Rashtriya Mahila Kosh (RMK); iii) extending grant-in-aid to NGOs to promote voluntary action through Central Social Welfare Board (CSWB) and iv) review and amendments in respect of 39 women-specific and women-related legislations.

### Development of Children

- The Ninth Plan reaffirms its priority for the development of early childhood as an investment in the country's human resource development with a priority for the younger children below 2 years. To this effect, implementation of the two National Plans of Action - one for Children and the other exclusively for the Girl Child underlining the importance of 'Survival, Protection and Development' has been further reinforced.
- Efforts are being made to strengthen and expand the on-going approach of converging the basic services of health, nutrition and pre-school education through the nation-wide programme of Integrated Child Development Services (ICDS). Around 26.5 million pre-school children below 6 years and 5.6 million expectant and nursing mothers are being benefited under this programme .
- Towards Universalisation of ICDS , the programme is being expanded to cover another 851 Blocks during the Ninth Plan. Of these, 461 Projects are funded by the World Bank. Besides this, the programme of UDISHA which extends training for ICDS personnel also receives assistance from the World Bank.
- Balika Samridhi Yojana (BSY) is another national level programme launched in 1997 to improve the status of the Girl Child belonging to the BPL Groups. Based on the recommendations of a Group of Ministers, BSY was re-cast in 1999 to extend - i) a post delivery grant of Rs.500/- ; and ii) annual scholarships ranging from Rs.300/ to Rs.1000/- between Classes I to X. These amounts, at the option of the guardian of the girl child, can also be deposited either in the Post-office or in the Bank in an interest bearing account in the name of the girl Child and to be paid to the girl child in lump-sum on attaining the age of 18 years , if she remains unmarried till then.

- The non-expanding scheme of Creches and Day Care Centres for children of working / ailing mothers maintained the continuing level of 12470 Creches benefiting 3.12 lakh children. To this, 2455 more Creches benefiting 0.61 lakh children were added with the assistance from the National Creche Fund.

### Critical Issues / Concerns

- The Mid-term review identified the following critical issues / concerns which are standing as the hurdles on the path of the progress of these target groups viz., - i) high rates of illiteracy, low rates of enrolment and high drop- outs ; ii) high rates of IMR,CMR and MMR, despite their declining trend; iii) high rates of macro and micro nutrient deficiencies; iv) feminization of poverty ; v) invisibility of women's contribution to the national economy; vi) persistent problem of gender discrimination; vii) ever increasing violence against women and the girl child; viii) ineffective implementation of both women-specific and women-related legislations etc. Special efforts are, therefore, being made during the Ninth Plan to address these problems.

### State Sector

- A critical review of the State Sector programmes demands the following interventions - i) focused attention on women and children through exclusive machineries; ii) rationalization / minimization of the on-going programmes; iii) prioritization in allocating the limited resources; iv) extend in-service training to equip the staff with the latest developments on the subjects; and v) develop mechanisms for effective co-ordination, both vertical and horizontal.

### Voluntary Sector

- The country wide net work of voluntary efforts need to be streamlined and re-directed into more effective channels of operation , besides ensuring an even spread of the voluntary organizations all over the country in the field of women and child development.

### Resource Position

- An analysis of the resource position reveals that there is an imbalance in the utilization of plan funds, as 88.6% of the total Ninth Plan outlay of Rs.7810 crore is being spent on the child development and the rest of the 11.4% on women's development and other grant-in-aid programmes. This, however, does not go in conformity with the priorities/objectives set by the Ninth Plan.

## CHAPTER 14

### Empowerment of the Socially Disadvantaged Groups

The Socially Disadvantaged Groups include - the Scheduled Castes (SCs), the Scheduled Tribes (STs), the Other Backward Classes (OBCs) and the Minorities. The Ninth Five Year Plan is committed to empower these Groups, as the agents of socio-economic change and development through a three pronged strategy of - i) Social Empowerment; ii) Economic Empowerment; and iii) Social Justice.

#### Social Empowerment

- Education being the most effective instrument for empowering these Groups, high priority continues to be accorded to improve the educational status of SCs, STs, OBCs and Minorities, especially that of the women and the girl child. Although, there has been an increase in the literacy rates amongst the SCs and STs, yet they continue to lag behind the general population.
- To Supplement the efforts of the Department of Education, the two nodal Ministries of Social Justice and Empowerment and Tribal Affairs have been implementing a few exclusive educational programmes viz., Post-Matric Scholarships to SCs and STs benefitting 56.26 lakh students; Pre-Matric Scholarships for the children of those engaged in unclean occupation benefitting about 10.18 lakh students; construction of Hostels for SC/ST/OBC Boys and Girls; and Ashram Schools for STs.
- Further, towards ensuring educational development amongst the SCs/STs, the programmes such as Coaching and Allied Scheme; Book-banks; Upgradation of merit of SC/ST students; Special Educational Development Programmes for the SC/ST Girls belonging to Low Literacy Areas are also being implemented.
- There is an urgent need to assess the impact of these schemes, especially that of the Post-Matric Scholarships, Pre-Matric Scholarships and that of the Hostels.

#### Economic Empowerment

- The 6 apex Corporations set up to improve the economic lot of the Disadvantaged Groups work as catalytic agents besides extending both 'forward' and 'backward' linkages of credit and marketing facilities to the micro level agencies towards improving the economic lot of these Groups.

- While, these Corporations were expected to become self-reliant over a period of 2-3 years of their establishment, they are becoming more and more dependent upon the Government support. This calls for an urgent study of the working of all these Corporations with a major objective of bringing forth necessary reforms to make them as effective financial instruments in empowering the disadvantaged.

- Efforts are being made to merge all the existing Corporations under the Ministry of Social Justice and Empowerment into a single Corporation to reduce administrative cost and ensure its effective functioning. While an exclusive Corporation being set up for the benefit of STs.
- The incidence of poverty amongst SCs and STs still continues to be very high as almost half of their population live below poverty line, though it started declining from 57.60 in 1983-84 to 48.37 in 1993-94 in respect of SCs and from 63.14 to 51.14 in respect of STs.

#### Social Justice

- As a first step in the process of instituting Social Justice, two exclusive Ministries viz., the Ministry of Social Justice and Empowerment for SCs, OBCs and Minorities in 1998 and the Ministry of Tribal Affairs for STs in 1999 have been set up to extend a focused attention to these individual groups.
- To ensure effective enforcement of the Protection of Civil Rights (PCR) Act, 1955 and the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989, a definite plan of action ensuring preventive, investigative and rehabilitative measures are being strengthened in those areas/districts where the incidence of crimes/atrocities/violence is high against the weaker sections.
- Another measure to ensure social justice was the commitment on the part of the Government for complete removal of the inhuman practice of manual scavenging by the Year 2002 through a nation-wide Scheme of Liberation and Rehabilitation of Scavengers and their dependents. As the progress of this scheme is very tardy, steps are being taken to activate the States / UTs to accomplish the commitment.

## Implementation of Special Mechanisms

- To review/monitor the other-wise routinised implementation of the 3 special mechanisms viz., Special Component Plan (SCP), Tribal Sub-Plan (TSP) and Special Central Assistance (SCA) to SCP and TSP, a Central Standing Tripartite Committee consisting of the representatives of the Planning Commission, National Commission for SCs and STs, the two nodal Ministries of Social Justice and Empowerment and the Ministry of Tribal Affairs and the concerned Ministry/Department, was set up in May 1999. So far, 16 Central Ministries/ Departments have been reviewed. Similar Tripartite Committees in Andhra Pradesh, Bihar, Madhya Pradesh, West Bengal, Punjab and Gujarat have also been set up.
- The erstwhile practice of including SCA to TSP as part of the State Plan allocations has now been ceased with. In its place, SCA to TSP is now being released as a Special Central Assistance to supplement the efforts of the States for the economic development of the STs.
- Development of 75 Primitive Tribal Groups (PTGs) in the country, is yet another important area, which is receiving attention of the Government through preparatory activities towards formulation of a National Plan of Action for survival, protection and development of the PTGs..
- According to the National Commission for SCs and STs, untouchability is still practiced in many forms through out the country. Also, the crimes against these vulnerable groups of SCs and STs is on an increase. As per the National Crimes Record Bureau, New Delhi, murder, rape and hurt are the three major crimes recorded against these groups. Effective enforcement of PCR Act, 1955 and SC and ST (POA) Act, 1989 by all the States / UTs is the need of the Day, besides activating the 4 National Commissions set up to safeguard the rights and interests of SCs, STs, OBCs, Minorities and Safai Karamcharis to play an effective role.
- The Mid-Term Appraisal recognizes the unresolved

issues / concerns viz., illiteracy, ignorance, poverty; social disability and increasing atrocities/ violence against the socially disadvantaged groups, in general, and some problems specific to STs viz., land alienation; involuntary displacement; indebtedness and bonded labour; lack of basic minimum services in the forest villages and the tribals living therein; shifting cultivation, ineffective implementation of Panchayats (Extension to the Scheduled Areas) Act, 1996; social unrest etc. Special efforts are, therefore, being made to address these persisting problems.

### State Sector

- The prevailing backwardness amongst the tribals and the tribal areas has been paving the way for internal disturbances in certain States as reflected in the tribal unrest and extremist movements Therefore, special efforts to safeguard the interests of these disadvantaged Groups need to be taken up in the affected areas on priority basis by the concerned State Governments

### Voluntary/NGO Sector

- Although, Voluntary organizations / non-governmental organizations have been playing a vital role of bearing the responsibility of the Government in 'Reaching the Services to the Un-Reached' in the backward rural and far-flung tribal areas, they are uneven in their distribution and are urban oriented. Therefore, all the grant-in aid schemes for NGOs have been recently reviewed and was suggested to enlarge the scope and coverage.

### Resource Position

- The pace of progress of expenditure in the Backward Classes Welfare Sector appears to be satisfactory as the likely expenditure during the first 3 years (1997-2000) at the Central level stood at Rs. 8998.90 crore (59.6%) against the ideal level of 60% However, a qualitative assessment of the progress needs to be made in terms of improving the status of these socially disadvantaged groups.



## CHAPTER 15

### Social Welfare

Social Welfare sector is responsible for the welfare, rehabilitation and development of the Persons with Disabilities, the Social Deviants and the other Disadvantaged who require special attention of the State. The Ninth Plan is distinct from the earlier plans as it advocates a 3-Fold Strategy, specific to each individual Target Group viz., i) Empowering the Disabled; ii) Reforming the Social Deviants; and iii) Caring the Other Disadvantaged.

#### Empowering the Disabled

- Implementation of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995, which aims to empower the persons suffering with disabilities with a right to demand for an enabling environment wherein they can enjoy protection of rights, equal opportunities and full participation in various development activities of the country has made good progress both at Central and State levels .
- The activities of the 6 National Institutes in the areas of research , training,, rehabilitation and developing suitable Aids & Appliances etc., are being expanded to meet the increasing needs and demands of the disabled.
- As part of the new initiatives under the implementation of PD Act, 1995, the following new schemes have been initiated:
  - i) National Programme for Rehabilitation of the Persons with Disabilities (NPRPD), a State Sector Scheme;
  - ii) 6 Regional Composite Resource Centres as Central Sector Scheme in the States of Assam, Bihar, HP, J&K, MP and UP;
  - iii) 4 Regional Rehabilitation Centres for Spinal Injured and other orthopaedically Disabled as Centrally Sponsored Scheme (90:10 ratio of funding by GOI and the concerned State Government) in the States of Orissa, Punjab, MP & UP; and
  - iv) 4 Auxiliary Production Centres of Artificial Limbs Manufacturing Corporation (ALIMCO) .
- The scope of the Scheme to promote Voluntary Action for Persons with Disability has been enlarged to cover new areas viz.- legal aid and legal counseling

; support facilities for sports, recreation, excursions, creative and performing arts, etc.

- To ensure filling up of 3 per cent reservation of posts for the disabled in the Government as well as Public Sector Undertakings, action has already been taken to transfer the Special Employment Exchanges for Disabled to the Ministry of Labour which is the nodal Ministry for placement / employment in the country.
- Application of S&T made significant contributions to help overcome the limitations imposed by the disability and improve the personal capacities of the disabled persons in the country, yet new emerging areas like bio-engineering electronics need to be explored for development of aids and appliances.

#### Reforming the Social Deviants

- To bring about qualitative improvement in the standard of the mandatory Institutions set up under Juvenile Justice Act (JJ Act), the scheme has been revised and renamed as 'An Integrated Programme for Juvenile Justice' in 1998 besides setting up of Juvenile Justice Fund to bring about qualitative improvement in the infrastructure established under JJ Act.
- The centralized implementation of the Scheme of Prohibition and Prevention of Drug Abuse has not developed ownership of this programme and is not able to reach effectively the needy groups and the needy areas, as per the demand.

#### Caring for the Other Disadvantaged

- Keeping in view the National Policy for Older Persons, 1999 services of supportive nature need to be developed at the local level. To this effect, NGOs and local bodies both in urban and rural area, should be strengthened and accepted as instruments for the delivery of services.
- Towards the well-being of the Street Children, one of the important initiatives taken during 1998-99 is the introduction of Child Line Services by dialing '1098'. This service is a 24 hour free phone service to all, in the major cities of the country. To address the various needs and problems of street children, apart from the NGOs, efforts are being made to involve Corporate Sector.

**State Sector**

- In the State Sector, a wide range of social welfare programmes are being implemented to address to the prevailing magnitude and nature of the problems, without any perspective. Thus, there is an urgent need to review these programmes keeping in view the emerging social problems and changing socio-cultural milieu of the region.

**Role of NGOs**

- Keeping in view the nature and magnitude of the problems in the Social Welfare Sector, NGOs have been involved in the implementation of various

Programmes. Their role as motivators / facilitators which enables the community to chalk out an effective strategy for tackling social problems need to be further strengthened.

**Resource Position**

- The pace of progress during the first three years of the Ninth Plan could not reach the expected level mainly due to the delays in launching new starts. The new programmes now coming into action during the year 1999-2000 are expected to improve the position with regard to utilization of plan allocations in the Sector.

## CHAPTER 16

### Health

- Optimising coverage and quality of care.
- Identifying and rectifying the critical gaps in infrastructure, manpower, equipment, essential diagnostic reagents and drugs at all levels of health care.
- Improving functional efficiency of the health care.
- Building up effective referral linkages between existing primary, secondary and tertiary care institutions.
- Developing human resources for health, adequate in quantity, appropriate in quality with proper programme and people orientation.
- Effectively implementing all the disease control programmes.
- Enhancing and strengthening basic, clinical and health systems research.
- Attempts are being made for utilization of funds from external funding agencies, Basic Minimum Services (BMS)/ Prime Minister's Gramodaya Yojana (PMGY) and Centrally Sponsored Schemes (CSS) to fill critical gaps in infrastructure and manpower to improve functioning of primary health care institutions and minimize interstate and inter-district differences.
- Efforts for strengthening appropriately restructuring and reorganization of infrastructure and redeployment of staff so that they take care of health problems of the population in a defined geographic area (including referral services) are being vigorously pursued.
- The performance of disease control programmes is being improved by rectifying defects in design and delivery, filling critical gaps in infrastructure and manpower, promoting skill upgradation, supplies and efficient referral arrangements.
- Vacancies of doctors/ specialists are being filled through district walk in interviews and part time placements.
- Disease Surveillance Programme with focus on rapid recognition prompt reporting and response at district level has been initiated.
- Steps have been initiated for improving infection control and waste management in all health care setting from primary to Tertiary care hospitals.
- An integrated Non-communicable Disease Control Programme with appropriate linkages with the existing health care system and emphasis on prevention early diagnosis, management and building up of referral system is being advocated.
- User charges have been introduced for cost recovery in secondary, tertiary and super-speciality institutions in many states for the people above poverty line. However, essential primary health care, emergency life saving services, services under National Disease Control Programmes and National Family Welfare Programme are being provided free of cost to all irrespective of their ability to pay.
- Greater attention and priority is being laid on research studies relevant to major health problems and for improving service delivery.

## CHAPTER 17

### Family Welfare Programmes

Ninth Plan envisages reduction in the population growth rate by

- meeting all the felt needs for contraception; and
- reducing the infant and maternal morbidity and mortality so that there is a reduction in the desired level of fertility.

In view of the large Interstate and interdistrict variations the strategy during the Ninth Plan will be :

- To assess the needs for reproductive and child health at PHC level and undertake area-specific micro planning; and
- To provide need-based, high quality, integrated reproductive and child health care.
- National Population Policy 2000 (NPP 2000) has been formulated which envisages achieving replacement level of fertility by the year 2010.
- Efforts will be concentrated on more effective implementation of Family Welfare/ Reproductive & Child Health (RCH) Programme specially in the poorly performing states of Uttar Pradesh, Madhya Pradesh, Rajasthan, Bihar and Orissa. Attempts are being made to identify indicators for selection of districts which require special attention with regard to population stabilization.
- Greater emphasis is being laid on men's participation in the Planned Parenthood movement.
- National Commission on Population has been constituted under the Chairmanship of the Prime Minister of India and Deputy Chairman Planning Commission as Vice Chairman on 11th May 2000 to review, monitor and give direction for implementation of the National Population Policy with a view to achieve the goals set in the Population Policy.
- The first meeting of National Commission on Population was held on 22nd July 2000. Wide ranging discussions in the first meeting of National Commission on Population has given useful suggestions for pursuing the goal of population stabilization. A Strategic Support Group consisting of secretaries of concerned sectoral ministries has been constituted as standing advisory group to the Commission. Nine Working Groups are being

constituted to look into specific aspects of implementation of the programmes aimed at achieving the targets set in NPP 2000.

- To facilitate the attainment of the goals set under NPP 2000 by the National Commission on Population an Empowered Action Group attached to the Ministry of Health & Family Welfare and a National Population Stabilisation Fund are being set up. A seed contribution of Rs.100 crore has been provided to National Population Stabilisation Fund; corporate, industry, trade organizations and individuals may also contribute to the fund.
- To improve maternal health and prenatal survival, antenatal care is being provided; early registration of all pregnant women, screening at least thrice during pregnancy and referral of 'at risk persons' to appropriate health care institutions are envisaged.
- Efforts are being made to ensure 100% immunization of all infants against 6 vaccine preventable diseases before they reach 1 year. Pulse Polio Immunisation Programme (PPIP) is being vigorously pursued to achieve zero incidence of poliomyelitis.
- Child Health Programmes envisage identification of 'at risk' children, early detection, prompt and effective management of health and nutritional problems.
- Under various Externally Aided Projects uninterrupted supply of essential drugs, devices, vaccines and contraceptives adequate in quantity and appropriate in quality is being ensured.
- Increased intersectoral co-ordination, involvement of Panchayati Raj Institutions, Non-Governmental Organisations in the service delivery and community participation are being attempted under all health and family welfare programmes.
- Improved monitoring and evaluation mechanisms to initiate mid term corrections for effective implementation of Family Welfare/RCH Programme already constitutes part of various health and family welfare programmes.
- Efforts are being made to improve Civil Registration of births and deaths so as to achieve 100% coverage for generating more accurate vital health statistics.

## CHAPTER 18

### Nutrition

#### Objectives during the Ninth Plan are to achieve

- Freedom from hunger through increased food production, effective distribution and improved purchasing power.
- Reduction in under nutrition and its health consequence through appropriate interventions.
- Prevention, early detection and effective management of micro nutrient deficiencies.
- In view of the adequate availability of food grains, there is urgent need to ensure access to it by poorer sections of the population through appropriate programmes aimed at improving their purchasing power.
- Emphasis is on detection, prevention and management of Chronic Energy Deficiency in the programmes related to nutrition. This includes identification of pregnant women, 6-24 months children and other individuals at risk. In the ICDS programme targeted intervention on Grade-III and Grade-IV malnutrition needs to be prioritized.
- Measures to tackle micro-nutrient deficiencies such as anaemia due to iron & folate deficiency (particularly among children and pregnant women) as well as vitamin-A deficiency (among children) and iodine deficiency disorders are being intensified under the RCH programme.
- The need to focus on emerging nutritional problems related to adolescent and geriatric nutrition is being emphasised.
- The existing system of monitoring of ICDS should generate data on those severely malnourished to facilitate corrective interventions in time.
- The goals in the National Plan of Action for Nutrition are being revised consistent of concerned Department's revised Ninth Plan goals.

## CHAPTER 19

### Indian System of Medicine & Homoeopathy

#### Ninth Plan envisaged

- Improvement in quality of primary, secondary and tertiary care in Indian System of Medicine & Homoeopathy (ISM&H).
- Investment in human resource development in ISM&H.
- Preservation and promotion of medicinal plants and herbs.
- R&D with focus on new drug formulation, clinical trials on promising drugs and improving ISM&H inputs in National Health Programme.
- Efforts are being made to promote linkages of ISM&H Centres with the existing primary health care delivery system under modern system of medicine and Reproductive & Child Health (RCH) care programme for more effective utilization of their potential.
- Quality of teaching, training and clinical care in ISM &H Institutes is being improved by strengthening of infrastructure, better teaching material and training of faculty members and skill upgradation of practitioners.
- Increased emphasis is being laid on standardization of drugs used by ISM & H and their quality control through better testing and patenting facilities. Clinical research studies related to emerging problems is being promoted through the four research councils.
- Planning Commission had constituted a Task Force on Medicinal Plants for Conservation, Cultivation, Sustainable use and Legal protection. The recommendations of the Task Force are being implemented.



## CHAPTER 20

### Drinking Water Supply and Sanitation

#### Urban

- Though, on an average, about 90% urban population in 1997 have access to Drinking Water Supply facility, the service level in most of the cities/towns are far below the desired norms and does not truly reflect the inter city, inter-State and regional disparities.
- Similarly, though 49% urban population have access to sanitary excreta disposal facility, only 28% have sewerage system (partial without treatment facility in many cases) and 21% only low cost sanitary latrine facility. Only about 60% of the generated solid waste is collected and disposed off, of which only 50% sanitarily .
- Key elements of strategy on improving urban water supply and sanitation would be
  - Democratic Decentralisation through municipalisation of responsibility for UWSS services;
  - Tariff structure should be consistent with Market finances ;
  - Private sector participation in water supply as a joint venture;
  - Transparent subsidisation by local authorities, where necessary .
- In the case of Operation and Maintenance of Urban Water Supply, paucity of funds, non-availability of adequate trained manpower as also over centralisation are the areas of concern. Though revenue generation in a few cities like Hyderabad, Mumbai, Chennai etc. is more than 100% of the O&M cost, the same was much lower in other places (in March 1998) viz., Calcutta (14%), Nagpur (48%), Pune (49%), Ludhiana (40%), Lucknow (50%), Kanpur (78%) and Delhi (26%) .
- India's average annual precipitation is nearly 4000 cubic kilo metre, a part of which goes towards increasing the ground water storage, a part is lost as evapotranspiration and the balance flows as surface water. The average volume flow in the river systems has been estimated to be 1880 cu.km. However, due to much lower storage capacity, the quantum of water utilisable through surface source is about 690 cu.km. only. Similarly, the quantum of ground water that can be extracted economically from the ground water aquifers every year has been

estimated to be 450 cu.km. Thus on an average, 1140 cu.km. of water may be reckoned as available for exploitation. Compared to the quantity of utilisable water resources of 1140 cu.km. the estimated demand in the year 2025 is of the order of 1050 cu.km. Therefore, in absolute terms, there could be no shortage of water in the country. However, there are large variations in rainfall from region to region, season to season and year to year. The spatial and temporal variations in precipitation have led to complex situations such as the distinctly different monsoon and non-monsoons, the high and low rainfall areas and drought-flood-drought syndrome due to numerous factors. As the overall demand in 2025 would be close to the total water available, the National Water Policy of Government of India stresses the urgent need for conservation of water with the objective to foster efficient utilisation in all the diverse uses of water. The demand for community water supply in urban as well as rural areas in 1990 was about 25 cu.km. which would increase to 33 cu.km. in 2000 and to 52 cu.km in 2025 due to growth in population, as also due to improved life style of the people. The National Water Policy has accorded top priority to Drinking Water Supply in the allocation of water resources for various beneficial uses. It is, therefore, very necessary to make long-term planning of water resources management for a period of 30-40 years ahead by National and Provincial Governments by preparing Water Resources Management Master Plans and implementing the same effectively.

- Due to fast growing urbanisation and industrialisation and diminishing water resources, it has become imperative to conserve available water and harvest rain water to the maximum extent possible by systematically taking various measures like leak detection and rectification works , rain water harvesting , controlling indiscriminate extraction of ground water and recharging of aquifers . By adopting these measures, Chennai could improve its ground water resources substantially.
- Management of Urban Solid Waste is one of the most neglected areas of urban development in India. Lack of financial resources , inadequate manpower, fragmentation of administrative responsibility , non-involvement and lack of awareness of community are the major constraints. Poverty and low standards of living in the slum areas add to the adverse effects on environmental sanitation. Considering the

complexity of the problem, it is necessary to evolve a suitable National strategy even though its implementation can best be handled at the level of Municipalities/Urban Local Bodies. For attracting and encouraging private capital in this area through mechanisms like BOT & BOOT, certain reforms are being contemplated and it is hoped that the State Governments would formulate this as a part of the urban reform agenda. Selection of technology for disposal of bio-degradable solid waste in a town would depend on various considerations like quality and quantity of waste, climatic condition and availability of land, but composting method using the successfully experimented wormi-culture technology would be the most suitable option for the country like India, if it is otherwise technically feasible. In order to encourage private sector participation, some initial subsidy and concessional rate of land could be considered by the State Governments/ULBs. Running cost should be self-financing and therefore, no such subsidy would be required for the same.

## Rural

- Although the Department of Drinking Water Supply, on the basis of reports made available by the State Governments, claim access of more than 95% population (as per 1991 census) to drinking water supply facilities, independent study reports show much lower coverage. The reason for lower coverage is mainly re-emergence of a large number of Problem Habitations (quantity or quality-wise) due to variety of natural and man-made reasons.

- The water supply system rather than being supply-driven has to be demand-driven and also take into account users' preferences. The Government of India in March 1999 approved Sector Reforms to associate active participation of the community in RWS Programme with 10% capital cost sharing and 100% sharing of O&M cost. State Governments have identified 58 Pilot Project Districts to introduce reform.
- Rain water harvesting not only supplements the domestic water supply but also acts as an anti-flood measure and recharges the aquifers. The three problems affecting the sustainability of drinking water supply viz., Scarcity, brackishness and excess fluoride could be simultaneously mitigated through direct or indirect artificial recharge of aquifers by utilising surplus run off.
- The Model Bill for regulating the Ground Water Extraction framed by the GoI and circulated to the States should be adopted by the States and implemented seriously. Water User Groups should be formed on the lines of Participatory Forest Management Groups, who should do ground water monitoring and ensure that it is managed as common property resource.
- Based on the findings of various field studies, the Centrally Sponsored Rural Sanitation programme has been restructured w.e.f. 1.4.1999. The restructured CRSP proposes to move away from supply-driven approach to demand-driven approach, which will inter alia include shift from high-subsidy to low-subsidy regime, greater house-hold involvement, technology options, stress on Information, Education & Communication (IEC), emphasis on School Sanitation etc.



## CHAPTER 21

### Labour and Employment Sector

- Unemployment rates for male and female in both rural and urban areas have declined from 1987-88 to 1993-94. However, thin sample surveys showed increase in unemployment rates in 1994-95 and 1995-96, which declined in 1997.
- Change in real wages in pre reforms (1981-91) period was 4.7 per cent and in the post reform period (1991-99) it was 2.0 per cent. States of Gujarat, Karnataka, Kerala and Tamil Nadu recorded higher growth in real wages in post-reform period than in the earlier period. Other States had a positive but lower growth in real wages in recent years.
- Un-organised sector of employment is expanding because compared to a labour force growth at 1.5 per cent; the organised sector employment is increasing at less than 1 per cent. The decline has been primarily due to a sharp reduction in the rate of growth of employment in the public sector.
- Growth of private sector jobs has accelerated after 1994 and has been much higher than public sector in the recent years.
- In organised Sector, Growth of private sector jobs has accelerated after 1994, and has been much higher than in public sector in recent years.
- During the Ninth plan period, priority areas in the Labour and Employment Sector are:
  - Review of labour laws and harmonise them with the new economic and social setting;
  - Expand the provision of social security to workers through efforts to create viable, location specific and a self-financing system;
  - Improvement in conditions of workers facing highly adverse work situations -elimination of evils of child labour and bonded labour;
  - Modernization of employment exchanges and job placement services
  - Strengthening of accreditation facilities for vocational training institutes to facilitate investment by private sector in vocational training
  - Extending the ambit of the existing vocational training system to include training in skills required in services sectors
  - Coordination of vocational training imparted by various departments of Government in order to avoid overlapping and to ensure conformity with each other.
- To conform to the new economic environment, Ministry of Labour has taken steps to amend or redraft the following laws concerning Labour:
  - Industrial Disputes Act
  - Contract Labour(Regulation & Abolition) Act
  - Payment of Wages Act
  - Workmen's Compensation Act
- The second National Commission on Labour will report by October 2001 on
  - An umbrella legislation for ensuring a minimum level of protection to workers in unorganised sector.
  - Rationalisation of Labour Laws relating to workers in organised sector.
- Very few States have created the corpus fund which is prescribed under the Construction Workers' Welfare Act to provide amenities and support in case of accidents at site.
- Inter-State consensus for preparing a Legislation for welfare of agricultural workers has not been possible so far.
- Certain State Governments have taken initiatives to provide Social Security to unorganised workers;
  - Kerala
  - Tamil Nadu
  - Madhya Pradesh
- Under a National Project, 1.5 lakhs working children are educated in special schools

- The scheme for release and rehabilitation of bonded labour has been strengthened by (i) increasing the assistance payable to State Government for rehabilitation of a released Bonded Labour, and (ii) providing for conduct of post-rehabilitation surveys of released Bonded Labour.
- National Vocational Training system is being strengthened by:
  - Handing over to local industry the operation of State-owned industrial training institutes- to begin with, six ITI's have been handed over to local industry.
  - A national vocational training policy is being framed to
- Assign a due role to State Governments in accreditation of Institutes and award of certificates to candidates
- Avoid overlapping of functions amongst different vocational training providers.
- At present conceptually robust statistics are available on employment situation but with a time lag of 3 to 5 years. During the phase of restructuring of economy it is necessary to have some key indicators of labour statistics which are available (i) without a time lag of more than a few months and (ii) these indicators be representative of all segments of labour force. For this purpose Ministry of Labour should lead the Central Government efforts to reorient the working, in regard to information on working population.

## CHAPTER 22

### Environment & Forests

#### Environment

- The 9th Plan for the sector of Environment and Forests was formulated in the spirit of Agenda 21 in recognition of the basic premise that environmental protection and economic development are mutually supportive aspects of the same agenda.
- Developmental policies impinge heavily upon the environment requiring intersectoral policy integration and coordination. At present there is no institutionalised policy-integrating and coordinating mechanism, with the result that a compartmental approach to environmental protection continues to be followed with extremely indifferent results.
- GNP and national income do not reflect environmental degradation or the consumption of natural resources and are inadequate measures of productivity and social costs when environmental damage occurs. National income accounting without environmental accounting limits the information available to policy makers for gauging the impact of economic activity on the environment. A natural resources budget and a State of the Environment Report needs to be placed before Parliament along with the economic budget each year, as laid down in the Government of India's policy statement of 1992 on Environment and Development.
- Only about 1% of the total plan outlay of the state and central governments, is allocated to the Environment and Forestry Sector and even this low level is not being fully utilized. The level of external assistance has also declined due to non-formulation of projects.
- Industries, thermal power stations, vehicles and biomass burning continue to be the main sources of air pollution in urban areas. The ambient air quality has deteriorated all over the country, especially in urban and semi-urban areas.
- Some important initiatives taken for tackling the problem of vehicular pollution during the 9th Plan include phasing out of grossly polluting vehicles, improvement of fuel quality (unleaded petrol and reduction of sulfur in diesel) and tightening of vehicular emission norms (India 2000 and modified India 2000). These initiatives have resulted in the improvement of air quality in Delhi and lead concentration in outdoor air has been successfully brought down through introduction of unleaded petrol but the menace of hydrocarbons has grown. However, greater policy coordination is required.
- It is estimated that indoor air pollution (due to burning of unprocessed cooking fuels in homes) in India's rural areas is responsible for at least 5 lakh premature deaths annually, mostly of women, and children under 5. This accounts for 6% - 9% of the total national burden measured in terms of Disease Adjusted Life Years.
- Organic and bacterial contamination continues to be the critical pollutant in Indian aquatic resources. In more than 1/3 of the samples analysed, the BOD levels are excessively higher than the prescribed level of 3 mg/litre. Similarly, total coliforms also exceed the prescribed norms of 500 MPN/100 ml in more than 50% of the samples analysed.
- Water pollution is caused by industrial discharge, agricultural run-off and domestic sewage. About 75% of the wastewater produced is from the domestic sector. Sewage treatment facilities are inadequate or non-existent in most cities and almost absent in rural India. Only 25% of Class I cities have some wastewater collection, treatment and disposal facilities, less than 10% of the 241 smaller towns have wastewater collection systems. Not more than 20% of all the wastewater generated in Class-I cities and 2% of all wastewater generated in Class-II towns is treated.
- In the 9th Plan, the Ganga Action Plan - Phase II has been converted from 50:50 sharing CSS into a 100% CSS. In spite of this, assets created are not being adequately utilized because of lack of operation and maintenance funds by the State Governments. A solution to the problem of Operation and Maintenance of assets under various National River Conservation Directorate (NRCD) programmes needs to be urgently found.
- Innovative methods such as oxidation pond technology, bioremedial measures need to be replicated all over the country for sewage treatment especially coliform level, which cannot be treated by other sewage treatment plants.

- Monitoring of polluting industries in most states is inadequate. An important lacuna discovered in an evaluation of State Pollution Control Board (SPCB) was that the chairman and member secretary were not technically competent to manage pollution control problems. Circumstances warrant appointment of technically qualified people to ensure effective working of SPCBs.
- Handling and safe disposal of hazardous wastes are emerging as a problem area. Progress in identification of sites for safe disposal of hazardous wastes is poor. Of the 76 identified hazardous waste disposal sites, only 12 have been notified by the States/Uts. Health hazards are also created through indiscriminate disposal of bio-medical wastes.
- India is one of the 12 mega biodiversity countries of the world and harbours more than 48,000 recorded flora and 81,000 fauna (including insects). Habitat loss and conversion, unsustainable legal and illegal harvesting and the introduction of exotics are some of the main threats to biodiversity. Current in situ and ex situ conservation efforts are based on a combination of ecosystem based schemes and a focus on apex key species. There is a need to identify the keystone and umbrella species. Conserving such species ensures protection of all related species as well.
- Integrated land use planning is not being attempted, and common lands adjacent to forests get a low priority after 1991.
- Focus on farm forestry has been surprisingly diluted since 1991 despite its enormous potential, especially in agriculturally backward areas. There are better social returns in promoting agroforestry models in the rainfed or semi-arid regions, which contain most of India's marginal lands. Similarly tree plantation on marginal and waste lands belonging to the poor is not encouraged.
- Planning Commission constituted a Task Force on "Greening India through agroforestry and Joint Forest Management". The Task Force recommended implementation of agroforestry and Joint Forest Management. Over an area of 43 million ha, policy and legal support to remove all constraints in greening programme and financial support through the "Green India Fund".
- Issues relating to productivity, access and marketing of NTFP are neglected. Local value added activities, such as processing, based on NTFPs should be encouraged. The nationalization of major Non Timber Forest Produce (NTFP) has increased the exploitation of the poor. Government should give up its monopoly on NTFPs and set up promotional Marketing Boards as distinct from commercial Corporations.

## Forest & Wildlife

Remote sensing data on forests shows that since 1983 the depletion in the dense forest cover has been controlled. The improved scenario could be because of the general ban on green felling, liberalized wood imports (touching 2 billion US \$), the successes of farm forestry and participatory policies introduced in many states. The success of JFM in a large number of ecologically varied villages is gradually changing the attitude of even conservative forest officers who are increasingly more willing to work with the people. The areas needing greater attention seem to be:

- Increasing productivity, reducing demand and supply imbalances, increasing export and reducing import of timber and pulpwood.
- Recognising symbiotic relationship between forest-dwellers and forests, implementing poverty alleviation schemes, generating gainful employment and empowerment of tribals and women.
- Links between forestry with pastures and watershed development are poorly understood.
- Poor understanding of the social implication of technology; one should consider changing forest technology by shifting attention from timber to floor management and production of more gatherable biomass.
- Continuing subsidies on government supply of wood and bamboo to industries, act as a disincentive to industry to pay a remunerative price to farmers.
- The current import policy of government must review its decision to allow cheap and duty free import of pulp & timber. It has adverse impact on agroforestry development.
- The Protected Area (PA) network has increased to over 15 m.ha. consisting of 83 National Parks and 447 Sanctuaries. However, the status of these PAs is somewhat unsatisfactory vis-à-vis biodiversity conservation and most of them lack management plans. The conservation policy needs to be re-examined.

- Eco-development Projects (EDP) underline the involvement of local people in the management of PAs. However, they are unlikely to succeed unless JFM and EDP go hand in hand in a complementary sense for wildlife protection.
- Report of the task force on conservation and sustainable use of medicinal plants (set up by Planning Commission) recommend establishment of "Vanaspati Vans" for increasing production, processing and export of herbal products to earn Rs. 10,000 crores per year. The recommendations have to be appropriately incorporated in policies and programmes.
- Bamboo, the wonder grass, due to its rapid growth

and multipurpose uses has emerged both environment and people friendly. Bamboo panel products have gained popularity as alternate to wood. Bamboo export should be encouraged by shifting it from negative to positive list specially when gregarious flowering is expected from 2006 onward.

On the whole, performance in forestry has been satisfactory, but the states have not been able to realize the full potential of this sector, particularly the poverty alleviation focus of the 1988 Indian Forest Policy. The strategy of the Forestry Sector should be two pronged - one, producing market oriented products on farms and two, protecting forests for environmental benefits and for sustaining the livelihood of the forest dwellers.

## CHAPTER 23

### Tourism

- Despite tourism having emerged as the world's largest industry and the fastest growing sector of the world economy, the sector has failed to receive due importance on India's development agenda.
- Employing only 2.4% of the total Indian workforce, the vast potential of tourism as an instrument of employment generation and poverty alleviation has tended to remain largely unutilized.
- Of the 625 million world tourist arrivals in 1998, India received a meagre 2.36 million or 0.38% of the total world tourist arrivals and only 0.62% of world tourist receipts.
- Despite having a tiny share of world tourist arrivals, tourism in India has emerged the second largest foreign exchange earner for the country, recording an estimated earnings of Rs. 12604 crore in 1998-99.
- The mainstay of tourism in India continues to be domestic tourism and an estimated 17.54 crores domestic tourists were recorded in 1999.
- The major limitations cited for low performance of tourism development in India are lack of professionalism, unhygienic conditions, poor infrastructure, lack of easily accessible information, lack of safety, poor visitor experience, restrictive air transport policy, inadequate facilitation services, multiplicity of taxes and the low priority accorded to tourism.
- The corrective measures proposed for development of tourism include augmentation of international air seat capacity, introduction of visa-less/visa-on-arrival facility for tourists from selected countries, rationalization/reduction of taxes and impetus to rural tourism by linking village tourism with restoration of heritage priorities.
- Tourism development should be based on perspective plans which must incorporate environmental impact studies, carrying capacity studies, instruments of spatial and land use planning, instruments of architectural controls, strategy for preparing the local community to safeguard its cultural identity and awareness programmes for local participation and local commitment to the project.
- Projects in the nature of providing glimpse of the rural ambience need to be formulated, preferably in consultation with locals and the NGOs. Bank finances at attractive terms and conditions should be provided for promoting such projects and local participation encouraged.
- It would be advantageous to close down Govt. of India tourism offices located overseas and make publicity increasingly through the Internet and the electronic media.
- In order to take advantage of the liberalized economic regime and the developments taking place around the world, a new National Tourism Policy is under consideration of the Government.

## CHAPTER 24

### Energy

#### Power Sector

- The capacity addition is expected to be 24309 MW (60.4% of the Plan Target), largely due to shortfall in the private sector projects mainly on account of financial unviability of the SEBs resulting in delay in achievement of financial closures.
- The financial position of the SEBs is a matter of grave concern. The commercial loss has mounted to the level of Rs. 20,000 crores.
- The large investment flows may not materialise unless the important issue of commercial viability of SEBs is properly addressed and re-structuring/unbundling of SEBs initiated by several States, is expedited.
- With the enactment of ERC Act, 1998, Electricity Regulatory Commission at Central level has been functional and 14 States have set up their SERCs at the State level. Six States have already re-structured/unbundled their respective SEBs into separate generation, transmission and distribution entities. The remaining States need to expedite their power sector reform/setting up of their SERCs.
- Investment in Renovation & Modernisation has distinct cost advantage over new generation capacity. Therefore, efforts need to be made to expedite R&M works and life extension programme.
- The captive power generation needs to be encouraged to reduce the large gap between demand and supply. With appropriate policies and institutional arrangements, power generated by such captive plants could be optimally utilized.
- Tax concessions given for generation required to be extended to Transmission and Distribution companies to attract investment in these sectors.
- In the context of developing hydro power, which is presently under declining trend, the Hydro Policy as approved needs to be implemented with all seriousness. Further, to boost the hydro power, the potential for pumped storage schemes also needs to be expedited to the full extent through certain financial incentives.

#### New and Renewable Sources of Energy

- The socially oriented programmes of New And Renewable Energy Sources especially in the rural areas like biogas and improved chulhas should adopt an approach of taking the entire village instead of the present approach of providing energy systems on individual basis.
- The systems and devices provided under the programme become non-functional in some cases. Due importance needs to be given to the defective systems for their repair/replacement and necessary funds are to be made available under the Plan for this purpose.
- In order to absorb the electricity generated from renewable energy sources like wind, small hydro, bagasse co-generation and industrial/urban wastes by the electricity utilities and also to extend the facilities like buy-back, wheeling, banking and third party sale, it is necessary to have uniform guidelines for the SEBs in this regard.

#### Coal & Lignite

- Slower growth in production in the first two years due to lower economic growth and non-materialisation of new coal based thermal power generating capacity leading to lower demand.
- The shortfall in coal production capacity addition, may lead to a large gap in the tenth Plan and beyond unless the identified new projects (i.e. formulated and awaiting approval) are implemented.
- Bill to amend the provisions of Coal Mines (Nationalisation) Act, 1973 for facilitating private sector participation in commercial coal mining needs to be expedited.
- Expediting the setting up of Regulatory Authority for resolving disputes and allocation of coal blocks both for exploration and exploitation through separate rules under MMDR Act, 1957.
- Need to rationalise rail freight rates for coal movement.
- Urgent need to upgrade coal reserves to the proven and mineable category through detailed exploration.

- Need for revival of loss making coal companies by rationalisation of manpower and closing down of uneconomic mines etc.
- Need for streamlining project approval procedures.

## Oil & Natural Gas Sector

### Performance Highlights

- Petroleum products demand target is likely to be met.
- Crude oil production may fall short of the target by about 10%.
- Natural gas production may marginally fall short of target.
- Accretion to hydrocarbon reserves is significantly below targets.
- Refining capacity target is likely to be over achieved.
- Imports of oil may surpass the target of 85-90 million tonnes in 2001-02.
- Dismantling of APM and duty rationalisation slower than envisaged.

- Private participation/investment below expectation.
- Plan expenditure may be lower than the approved outlay.

### Policy Options

- Exploration activities need to be accelerated. The policy of offering exploration blocks under NELP may be continued. The frequency of bidding rounds under NELP needs to be increased.
- Slowing down of atleast new grass root refining capacity in view of excess capacity.
- The dismantling of APM to be implemented according to the approved schedule so as to have a free market and healthy competition.
- The policy for marketing and distribution of petroleum products needs to be reviewed to encourage new entrants. Marketing rights for transportation fuel to be made conditional to a company investing Rs. 2000 crores in Exploration & Production, Refining, Pipelines or Terminals. Such investment should be towards additionality of assets and in the form of equity, equity like instruments or debt with recourse to the company.
- Expeditious setting up of regulatory mechanism for downstream sector including pipelines and natural gas.



## CHAPTER 25

### Transport

#### Railways

- There has been sluggish growth in freight traffic while passenger traffic is growing at fast pace. The Ninth Plan target in respect of freight traffic will not be achieved while in case of passenger traffic, the achievement is likely to be more than the target.
- In the first three years of the Ninth plan, the expenditure is likely to be 51 per cent of the approved Ninth plan outlay.
- No significant step has been taken to rationalize the tariff structure. There is a need for re-balancing the tariffs of Indian Railways to reduce the rate of cross subsidization. Rail Tariff Authority on the lines of Telecommunication Regulatory Authority needs to be set up with the mandate to fix tariff on rational basis.
- The tendency of Indian Railways to spread resources thinly over a large number of projects continues to be an area of concern. There is an urgent need to prioritize the very large existing portfolio of on-going projects.
- The financial health of the railways deteriorated in the first three years of the Ninth Plan due to sluggish growth in freight traffic and implementation of recommendations of 5th pay commission.
- There is need for change in the investment strategy with higher priority to be given to augmentation of the capacity on high density corridors apart from increasing the investment for ensuring the safety and reliability of services.
- Safety of rail operation has become an area of concern. The majority of accidents are due to human failure. Proper training and motivation of labour force would improve safety of rail operations.
- Introduction of technology, timely replacement and renewal of tracks and maintenance, both corrective and preventive also need urgent attention.
- If the railways are to increase or even retain their existing share particularly in freight traffic, it is necessary to explore alternative method of doing business. The increase in efficiency and responsiveness to the clients is possible only through increased focus on specific businesses by

unbundling track management of rail freight and passenger operation and production and by introducing private sector participation.

- Involving private sector in provision of certain infra-structural facilities through special purpose vehicles and setting up of Indian Railways Catering and Tourism Corporation are steps in right direction.
- The scope of private sector participation needs to be enlarged by following consolidated approach rather than piecemeal efforts.

#### Roads and Road Transport

- Process of strengthening and expanding the road system to meet passenger and freight traffic requirements is underway.
- Self-financing capacity has improved through levy of cess on fuel.
- Proceeds amounting to Rs. 5,800 crore per annum from this source will accrue to proposed Road Development Fund. Since this fund would not be sufficient to meet the huge requirements of roads sector, it would be necessary to augment the fund by raising levy on fuels periodically and through other direct and indirect user charges.
- The National Highway Development Project is progressing on schedule. At the commencement of the Ninth Plan about 1100 kms of National Highways was multi laned (mainly 4 laned). In the Ninth Plan civil works for multi laning (mainly 4 laning) of National Highways aggregating to over 6000 kms would be awarded.
- A number of steps have been taken to encourage private sector participation in the road sector. Private sector has been awarded 20 projects at an estimated cost of Rs. 1000 crores. For the development of State roads, a number of projects have been taken up with the participation of private sector. These include Ahmedabad-Mehsana, Vadodara-Halol highway and Mumbai-Pune expressway.
- National Highway Authority of India has developed Kotputli-Amer section of National Highway-8 as toll road. A private agency is collecting tolls on contractual basis.

- Integration and coordination of various Centrally Sponsored and State programmes for rural roads and eliminating of duplication of efforts to avoid wastage of limited resources is essential.
- Financial performance of State Road Transport Undertakings continues to be unsatisfactory. There is urgent need to improve productivity of State Road Transport Undertakings through measures like replacement of over aged buses, improvement in the productivity and management practices together with timely and adequate increase in fares , reduction in bus staff ratio and reimbursement of concessions by State Governments.
- There is a need to encourage private sector to provide safe and reliable passenger services to meet the growth demand.

### Ports

- Ninth Plan target of capacity creation likely to be achieved.
- Thirteen private sector / captive user port projects of 54 million tones capacity with an investment of Rs. 3926 crore have already been approved and they are at different stages of implementation. Thirteen more projects involving private and captive user participation with an investment of Rs.4000 crore are in pipeline.
- Though the productivity of terminals have improved, there is a long - way to go to reach a situation when berths should await for cargo.
- Progress of private sector participation is satisfactory
- Corporatisation of major ports is progressing at very slow pace. It needs to be expedited.

### Civil Aviation

- Although the losses of Air India decreased from Rs. 181.01 crore in 1997-98 to Rs. 89.75 crore (Revised Estimates) in 1999-2000, the physical and financial performance of airlines has not been satisfactory.
- Indian Airlines experienced turn around in their financial performance. The company started earning profits from 1997-98 after incurring losses for 8 years since 1989-90.
- The process of restructuring the existing airports of Delhi, Chennai, Mumbai, and Calcutta through long term lease to make them World class need to be expedited.
- A new airport at Nedumbassery near Cochin has been constructed and commissioned in May, 1999, by Cochin International Airport Limited, a company promoted by Kerala State Government with equity participation from a large number of non-resident Indians and other financial institutions. This is the first of its kind which has been completed with the initiative of State Government.
- Government has also approved in principle, setting up of new airports at Bangalore, Hyderabad and Goa with private sector participation. State Governments will be selecting concerned joint venture partners for construction and operation of new airports.
- Capacity shortages in passenger traffic have been noticed on several international sectors connecting India There is an urgent need to mitigate the capacity constraints through appropriate measures including liberal grant of traffic rights to the international carriers having regard to the fleet limitations of Air India.

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## CHAPTER 26

### Communications

#### Telecommunications

- Until 1994 telecommunications services were a Govt. monopoly. Private sector participation was allowed in basic services as part of the National Telecom Policy announced in 1994.
- An independent regulatory authority called Telecom Regulatory Authority of India (TRAI) was set up in 1997. The regulatory mechanism has been further strengthened through the TRAI (Amendment) Act, 2000 wherein the role, functions and powers of TRAI vis-a-vis Govt. have been clearly defined.
- A new policy for Internet Service Providers (ISPs) was announced in 1998 opening the area to the private sector providers. The policy was promotional in nature.
- New Telecom Policy was announced in March, 1999.
- National Long Distance Service was opened to competition in Aug. 2000.
- Department of Telecom Services(DTS) to be corporatised from 1st Oct.2000;the company to be called Bharat Sanchar Nigam Limited
- An outlay of Rs.46442.04 crore was approved for the telecom sector to be financed basically by internal and extra budgetary resources.
- Utilization is expected to be about 80% of the outlay approved for the first three years. The shortfall is basically on account of low utilization by MTNL and VSNL. No budgetary support was provided except for regulatory bodies.
- The major targets fixed included provision of 237 lakh DELs including 52 lakh by the private sector, 2.39 lakh VPTs and laying optical fibre of 1.4 lakh route kms.
- The physical performance of the public sector i.e. Deptt. of Telecom and MTNL during the first three years has been very encouraging. The Ninth Plan target of providing one PCO for every 500 persons in urban areas has already been achieved. The actual performance was higher than the targets fixed except VPTs.
- Private sector participation in the telecom services, especially basic services, did not take off as initially expected because of various impediments. Several policy changes have been announced by the Govt. removing these constraints. It is hoped that private sector licensees will now be able to expand supply of services.
- To offset the shortfall in the performance of private sector in basic telecom services, the Ninth Plan target for the public sector for DELs is proposed to be increased to 222.70 lakh and for the VPTs to 2.79 lakh.
- About 62 per cent of the total of 6.07 lakh villages have been provided telecom connectivity through Village Public Telephones(VPTs) as on 31.3.2000. Government is committed to ensure connectivity to the remaining villages by 2002. Govt. sector would be servicing about 5.51 lakh VPTs by March 2002 involving an annual subsidy of about Rs.1700 crore.
- The major policy issues that still need to be addressed in the telecom sector are :
  - Tariff re-balancing with the objectives of cost based prices, transparency of subsidies and better targeting and help operational efficiency of the operator.
  - Opening of Internet telephony.
  - Convergence of services and single licence regime.
  - Ensuring full functional freedom to Bharat Sanchar Nigam Limited i.e. corporatised DoT

#### Postal sector

- Modernization of postal operations and expansion of network in the uncovered areas are the two thrust areas of the Ninth Plan.
- An outlay of Rs.507.25 Crore was approved for the Ninth Plan funded entirely through budgetary support.
- The utilization during the first three years was about 43%.
- The major targets envisaged included opening of 250

departmental sub post offices, 2500 rural post offices (EDBOs), 2000 satellite based money transfer systems, 170 V-SATs and two automatic mail processing centres.

- The physical performance during the first three years has been satisfactory.
- The Panchayat Sanchar Seva Yojana has been revived to provide postal services in the rural areas.

● The major policy issues are:

- Element of subsidy in postal services is quite high leading to huge postal deficit.
- Rationalization required both in terms of mix of services and pricing.
- The Indian Post Office Act, 1898 is quite archaic and need to be replaced by a modern forward looking Act to meet the new and emerging requirements.

## CHAPTER 27

### Information Technology

- Making India a global IT superpower in the next ten years is one of the major items of agenda under the Special Action Plan of Prime Minister.
- The role of the Govt. is that of a facilitator. Private sector contributes more than 80% of the electronics IT industry in the country.
- The major targets envisaged for the Ninth Plan :
  - Production : Rs.138350 crore
  - Exports : Rs.48930 crore
  - Computer penetration : two per thousand
- The performance of the IT industry during the first three years has been outstanding. It recorded an average growth rate of about 25% per annum.
- Software exports recorded an impressive growth of about 66 percent per annum during the first three years. The growth of the hardware exports, however, has been slow around 11 percent. Ninth Plan export target is likely to be achieved.
- IT enabled services have immense potential of growth - both in terms of income generation and employment. E-commerce is expected to grow to Rs.15000 crore by 2002.
- The major initiatives taken by the Govt. include:
  - Setting up of a new Ministry of Information Technology.
  - Setting up of Task Force on Human Resources Development in IT.
  - Creation of IT Venture Capital Fund of Rs 100 crore.
  - Upgradation of Education and Research Network(ERNET) connecting all Universities and RECs through high speed network.
  - All RECs to be upgraded to the level of IITs.
  - Setting up of IITs in various states.
  - Setting up of Community Information Centres (CICs) in 486 Blocks in NE Region including Sikkim.
  - Enactment of a comprehensive law called IT Act 2000.
- States Governments of Andhra Pradesh., Karnataka, Maharashtra and Gujarat have taken major initiatives for promotion of IT and E-governance. Other states are also gearing up to take advantages of IT revolution.
- The major policy issues that need to be addressed in the sector are:
  - Availability of adequate bandwidth and easy accessibility.
  - Evolving appropriate policy and strategy for accelerated growth of hardware sector.
  - Strengthening of Internet infrastructure in the country including providing at least 300 GB of Internet bandwidth by 2005.
  - Encouragement of IT development in Indian languages to increase PC penetration and IT awareness in the society.
  - Full use of the potential of E-governance.

## CHAPTER 28

### Information and Broadcasting Sector

- The Information and Broadcasting Ministry covers three broad media sectors namely, AIR and Doordarshan, Information and Films.
- Media sectors witnessed dramatic changes in 1990s and the position of Doordarshan as monopoly broadcaster has been eroded due to emergence of more than 30 private broadcast channels.
- Augmentation of the programme content, enhancement of technical features, quality broadcast, wider choice of programme channels, renewal of old and obsolete equipment and addition of new facilities were among the thrust areas of the broadcasting sector for the Ninth Plan.
- Technological upgradation, increased coverage, modernization of programme designing and creation of new facilities were the priorities for the Information and Films Sector.
- An outlay of Rs. 2567.05 crore consisting of a budgetary support of Rs. 449.55 crore and an IEBR of Rs. 2117.50 crore was earmarked for the Ninth Plan for I&B Sector, while the outlay for Information and Films Sector were Rs. 93.30 crore and Rs. 182.70 crore respectively.
- The utilization of Plan funds in the I&B sector was 78.1%, 64.9% and 98.4% (estimated) during the first three years of the Ninth Plan for the I&B Sector.
- The Ministry is drawing a Perspective Plan for the Broadcasting Sector to meet the challenges of competition from new and converging technologies.
- Among the important new measures taken in the I&B Sector are allowing of satellite channels, opening of FM Broadcasting to private sector, approval of Rs. 430 crore special package for J&K, introduction of digital technology by Doordarshan, industry status to the film industry and unfreezing of newspaper titles.
- A number of schemes spilled over from the Eighth Plan to Ninth Plan and considerable amount of funds have been found unutilized during the first two years of the Ninth Plan. All efforts should be made by the Ministry to ensure timely implementation of schemes and optimal utilization of Plan resources.
- Ministry needs to take urgent action to clear the prevailing uncertainty in respect of two major issues mentioned in the Ninth Plan document namely, the use of Airwaves and the status of the Prasar Bharati.
- Special care needs to be taken for speedy implementation of the J&K package and similar packages need to be worked out for North-East and Hill/Tribal Areas.
- Ministry should also lay down guidelines to ensure that the allocated fund is fully utilized by the different media units.

## CHAPTER 29

### Science and Technology

- Harnessing of S&T for societal benefits, R&D programmes on mission mode, nurturing of outstanding scientists, establishing linkages between industry and research institutions/laboratories for the development and marketing technology, development of clean and eco-friendly technologies, awareness on technology marketing and Intellectual Property Rights (IPR) issues have been the major thrust.
- Concerted efforts have been made for strengthening R&D activities, S&T infrastructure in universities and academic institutions, promoting indigenous technology using Science and Technology Advisory Committee (STAC) and Inter-Sectoral S&T Advisory Committee (IS-STAC) mechanism and also through the programmes of Technology Development Board (TDB), Programme Aimed at Technology Self Reliance, Home Grown Technologies etc.
- Some of the important achievements in the areas of technology development include : transfer of technology of radiation processing of food, development of radiation source for treatment of eye cancer, superconducting technology based ore separator and power generator, fish freshness biosensor, lactate and cholesterol biosensors, multi model imaging and image identification of cancer related diseases, optical fibre based immuno sensor for Kala-zar, new anti malarial plant based drug, non hazardous process for anti AIDS drug, prototype kit for rapid detection of mustard oil, technology transfer for producing biofertilizer and tissue culture protocols for eucalyptus, sugarcane and populus, diagnostic kits for detection of HIV I & II, therapeutic vaccine for leprosy, drug delivery system for systemic fungal infections etc. The technology development programme should be demand driven recognizing importance of market mechanism so that the sophisticated research facilities and vast S&T expertise could be optimally utilized.
- Number of science and society related programmes were implemented to demonstrate application of S&T for improving quality of life by creating productive jobs, reducing drudgery, improving health and environment in the areas blacksmithy, carp breed hatchery, low cost preservation and processing of horticulture products, food irradiation, application of radio isotope and laser for diagnosis and treatment of various diseases, use of potential fishing zone maps for fishing activities etc. Science and society related programmes need to be more closely tied up with the programmes of the development sectors so that the programmes relating to poverty alleviation, employment generation etc. could be strengthened with S&T inputs and large scale application of the new technologies is possible.
- Major achievements in the areas of Space S&T were successful launch of Polar Satellite Launch Vehicle (PSLV)-C 1 carrying IRS-ID, PSLV C2 carrying IRS P4 (Oceansat) along with two auxiliary Korean (KITSAT) and German (TUBSAT) satellite and INSAT 2E besides indigenous development of cryogenic upper stage with the establishment of test facilities and fabrication of engine. In the areas of nuclear science, major achievements were nuclear tests at Pokhran range, attainment of full power level by neutron source KAMINI reactor, successful operation of the Fast Breeder Test Reactor, setting up of Synchrotron Radiation Source facility etc.
- Apex level S&T mechanism was non-functional, however this has now been reconstituted recently and efforts were being made to evolve policy directives and implementation mechanism on various S&T matters including Technology Vision 2020. This mechanism need to play a critical role in providing policy and implementation guidance for harnessing S&T for development of various sectors of economy.
- The S&T funding need to be significantly increased through greater participation of the industry.
- Although, efforts have been made to attract students in science and promote young scientist to adopt science as a career through various fellowships and awards like Swarnajayanti fellowship, Better Opportunities for Young Scientist in Chosen Areas of S&T (BOYSCAST), Kishor Vigyanik Protsahan Yojana, Promote Youth Leadership in Science (CPYLS), Bioresource awards etc. yet there is a large scale migration of students from India to other country or from one career option to another resulting non-availability of specialized and trained manpower in the field of S&T. A policy direction on manpower development to suit the national requirements need urgent attention.
- The S&T thrust in response to WTO needs is to be focused in conformance to global standards particularly for IPR awareness, information, generation and exploitation mechanism, quality assurance system etc.

## CHAPTER 30

### State Plans - Performance and Problems

- There are wide variations in the growth performance of individual States. The range of variation between the slowest and the fastest growing States in the 1980s was from 3.6% per year in Kerala to 6.6% in Rajasthan, a factor of less than 2. The range increased very substantially in the 1990s from a low of 2.7% per year for Bihar to a high of 9.6% for Gujarat, a factor exceeding 3.5%. Comparing Bihar's per capita growth rate with that of Gujarat in 1990s, the ratio between the lowest and the highest is as high as 1:7.
- Seven States showed an acceleration in growth in the 1990s. They are fairly well distributed regionally i.e. Gujarat (9.6%), Maharashtra (8.0%), West Bengal (6.9%), Tamilnadu (6.2%), Madhya Pradesh (6.2%) and Kerala (5.8%). Bihar, UP and Orissa continue to be the poor performers in the 1990s growing much more slowly than the average. The other states, namely, Rajasthan and MP have performed reasonably well. However, the coastal State of Orissa had a poor growth performance.
- The States also vary very widely in human development. The percentage of population below poverty line is the highest in Bihar (55%) followed by Orissa, MP and UP. The lowest percentage is in Punjab (11.8%) (1993-94). Regarding literacy, on one end of the spectrum is Kerala with over 90% literacy rate and the other end is Orissa with just 51% in 1997.
- While most of the States have not been able to fully utilise the outlay approved in their discussions with the Planning Commission, there has been a huge gap between the approved outlay and expenditure in the case of States like U.P. and Bihar which has affected almost all the sectors and particularly the power sector in both these States.
- Seven States, namely, Andhra Pradesh, Maharashtra, UP, Tamilnadu, Gujarat, West Bengal and Karnataka continue to be the preferred States for external assistance. The major considerations for assistance on the part of the donor, seem to be the capabilities of the States to pose projects, the ability to carry out dialogue with the donor, imparting impressions to the donor about being reform oriented and a reasonable assurance of project implementation through good governance.
- In 1991-92, maximum external assistance has gone for energy and power sector followed by structural adjustment, industry and finance and water resources. Even in 1998-99 energy and power sector retained the top position and was followed by social sector, water resources and infrastructure. The external aid in general thus reflects the sector-wise plan priorities at any point of time.
- There are significant differentials between the rural and urban areas; between communities and between the genders in most States. The disturbing factor is that many of these inequalities are widening and not narrowing. The biggest challenge in India therefore is to narrow down these disparities.
- We need to have a closer look at the programmes designed for uplifting the weaker sections and restructure them to provide long term development benefits to these communities.
- We also need to emphasise on providing education, rather than providing temporary assets to the poor.
- The critical factor appears to be effective governance to ensure balanced growth of the different regions of India.



## CHAPTER 31

### Design and Implementation of Programmes

- The Central Ministries spend roughly Rs 35,000 crore annually on Programmes that are meant to achieve Poverty Alleviation. These funds, if directly transferred to the poor, could buy for every poor household 3 kg of foodgrain every day from the market at the rate of Rs.7.5 per kg and thus could wipe off the entire poverty from this country. If poverty still continues in the last ten years, the obvious conclusion is that availability of funds can at best be a necessary but not sufficient condition to tackle poverty and backwardness. The determining factor is the capability of the government machinery to formulate viable schemes and the delivery system to optimally utilise funds. Unfortunately the record of government is poor on both counts. The CAG has also highlighted the inability of the Union Ministries to control the execution of the schemes and the indifferent attitude of the State Governments.
- Capacity for monitoring is limited, and often does not exist. Monitoring is confined to the release of funds provided in budgets without any reference to effective utilisation and the quality of output.
- There are too many centrally sponsored schemes to monitor. The number needs to be curtailed. There have been a large number of plan schemes with similar objectives targeting the same population in several sectors such as agricultural and cooperation, women and child development, education, rural development and other social sectors. There is a strong need for convergence of these programmes.
- Uniformity of schemes all over the country without sufficient delegation to States to change schemes to suit local conditions has made many States indifferent to their implementation.
- The fiscal indiscipline in the States has also resulted in failure to release the counterpart funds in time.
- The sustainability of projects on completion also poses a serious problem. In many cases the States have not been able to provide adequate funds for maintenance of assets which has resulted in their deterioration. A number of States have diverted substantial amounts of plan funds to non-plan expenditure particularly for staff salaries.
- Development is an outcome of efficient institutions rather than the other way around. There is a need to focus on building institutions and improving governance from maximising the quantity of development funding to maximising of development outcomes and effectiveness and efficiency of public service delivery.
- The States need to take some tough decisions such as freeze on new hiring, restructuring of the power sector, increasing user charges at various levels, liquidation or privatisation of several public enterprises, tax reforms and above all better governance. The adjustment process would be painful but not adjusting would be more so.
- People often perceive the bureaucracy as an agent of exploitation rather than a provider of service. Corruption has become a low risk and high reward activity. Operational decisions ensuring stability of tenure, transparency in performance and a comprehensive anti-corruption strategy have to be taken without further loss of time.
- The average tenure of collectors, SPs, Project Officers., and other such category of officers should be at least two years. Although government would be free to transfer an officer before two years without calling for his explanation, the average must be maintained above two years. This would mean that for every short tenure some one else must have a sufficiently long tenure to maintain the average. States where this average is less than two years should be given two years of time to bring it above two years.
- At least for higher ranks of the civil services e.g. Chief Secretaries, Secretaries to Government, both at Centre and at State, and DGPs, postings may be made contractual for a fixed period, and suitable systems may be evolved to ensure that they are rarely removed before the period of the contract without their consent or explanation.
- The Central Government must take a lead in reducing its staff, especially in Ministries dealing with state subjects, and transfer most of the CSS to the states. In the Ministries, there should be control on initial recruitment and most vacancies caused by retirement should remain ordinarily unfilled and abolished.

- Professionalising the civil service, ensuring accountability to the people through right to information, improving the quality of life through greater attention to environment and redefining the role of Government in the light of decentralisation brought in through the 73rd and 74th Constitution Amendments, can ensure good governance to a large extent.

- The Expenditure Commission constituted by the Central Government should be tasked to implement the recommendation of the fifth pay commission regarding the 30% downsizing in the Central Government staff over a period of five years.